

PLEASE NOTE - We welcome public comment on the items on the following agenda. To ensure maximum opportunity for participation, speakers representing themselves may speak for up to 2 minutes each, and those representing groups may speak for up to 4 minutes (1 speaker per group). Speakers' comments may address only items considered at today's meeting. Materials relating to matters that are scheduled for discussion in open session will be available at the meeting and will be posted on ESD's website prior to the meeting in accordance with the Public Officers Law

**NEW YORK STATE URBAN DEVELOPMENT CORPORATION
d/b/a Empire State Development**

Empire State Development works to promote business investment and growth that leads to job creation and prosperous communities across New York State

Meeting of the Directors

Thursday

July 18, 2013 – 9:30 a.m.

PROPOSED AGENDA

FOR CONSIDERATION

I. CORPORATE ACTION

- A. Approval of Minutes of the June 27, 2013 Directors' Meeting

II. DISCRETIONARY PROJECTS

MID-HUDSON REGION

- A. Blooming Grove (Mid-Hudson Region - Orange County) – Mediacom Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) – Findings and Determinations Pursuant to Sections 16-m and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions; Determination of No Significant Effect on the Environment

NEW YORK CITY REGION

- B. Staten Island (New York City Region – Richmond County) – New York Container Terminal Capital – New York Works Program (Capital Grant) - Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

II. DISCRETIONARY PROJECTS - Continued**NEW YORK CITY REGION**

- C. New York City (New York City Region – New York County) – Carver Bancorp Working Capital – Minority and Women-Owned Business Development and Lending Program (Working Capital) – Findings and Determinations Pursuant to Sections 16-c and 10 (g) of the Act; Authorization to Make a Grant and to Take Related Actions; Determination of No Significant Effect on the Environment

FINGER LAKES REGION

- D. Chili (Finger Lakes Region - Monroe County) – DichroTec Thin Films Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) - Findings and Determinations Pursuant to Sections 16-m and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

MOHAWK VALLEY REGION

- E. Frankfort (Mohawk Valley Region - Herkimer County) – Northern Safety Capital - Economic Development Purposes Fund (Capital Grant) - Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

LONG ISLAND REGION

- F. Calverton (Long Island Region - Suffolk County) – Calverton Enterprise Park DRF Capital – Downstate Revitalization Fund – Infrastructure Investment (Capital Grant) - Findings and Determinations Pursuant to Sections 16-r and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions; Determination of No Significant Effect on the Environment

CAPITAL REGION

- G. Albany (Capital Region - Albany County) – TVC Albany - Economic Development Purposes Fund (Capital Grant) - Findings and Determinations Pursuant to Section 10 (g) of Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

II. **DISCRETIONARY PROJECTS - Continued**

SOUTHERN TIER REGION

- H. Endicott (Southern Tier Region - Broome County) – National Pipe & Plastic Capital - Economic Development Purposes Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions; Determination of No Significant Effect on the Environment

WESTERN NEW YORK REGION

- I. Falconer (Western New York Region - Chautauqua County) - Rand Machine Products Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) - Findings and Determinations Pursuant to Sections 16-m and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions; Determination of No Significant Effect on the Environment
- J. Buffalo Billion Initiative – Niagara Falls (Western New York Region - Niagara County) – Robert Moses Parkway – South Riverway - Buffalo Regional Innovation Cluster (Capital Grant) - Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions
- K. Buffalo Billion Initiative – Various Locations (Western New York Region – Allegany, Cattaraugus, Chautauqua, Erie and Niagara Counties) – Edison Welding Institute Working Capital – Economic Development Purposes Fund (Working Capital) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Make a Grant and to Take Related Actions

DISCRETIONARY PROJECTS CONSENT CALENDAR

- L. Discretionary Projects Consent Calendar – Findings and Determinations Pursuant to Sections 16-m and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plans; Authorization to Make Grants and to Take Related Actions; Determination of No Significant Effect on the Environment

General Development Financing Projects

- A. R.B. Woodcraft Capital (Onondaga County) - \$80,000
 B. Mohawk Fabric Capital (Montgomery County) – \$48,000

II. DISCRETIONARY PROJECTS – Continued

STATEWIDE - RESTORE NEW YORK COMMUNITIES – CAPITAL GRANT

M. Statewide - Restore New York Communities – Capital Grant – Land Use Improvement Findings and Determinations Pursuant to Sections 10 (c), 10 (g) and 16-n of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions; Determination of No Significant Effect on the Environment

A. Watertown – Restore III – Woolworth Building (Jefferson County) - \$2,500,000

MOHAWK VALLEY REGION

N. Oriskany (Mohawk Valley Region – Mohawk County) – Cornell Cooperative Extension Working Capital – Economic Development Purposes Fund (Working Capital) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Make a Grant and to Take Related Actions

III. **REGIONAL COUNCIL AWARDS**

FINGER LAKES REGION

A. Regional Council Award – Rochester (Finger Lakes Region - Monroe County) – High Blood Pressure Collaborative Working Capital – Economic Development Purposes Fund (Working Capital) - Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Make a Grant and to Take Related Actions

B. Regional Council Award – Priority Project – Various Counties (Finger Lakes Region) – PathStone Corporation Revolving Loan Fund Capital – Regional Council Capital Fund (Capital Grant) - Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

MOHAWK VALLEY REGION

C. Regional Council Award - Rome – (Mohawk Valley Region - Oneida County) – Griffiss Local Development Corporation Fiber Connectivity Hub Capital – Regional Council Capital Fund (Capital Grant) - Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

III. **REGIONAL COUNCIL AWARDS - Continued**

LONG ISLAND REGION

- D. Regional Council Award – Upton & Garden City (Long Island Region - Nassau and Suffolk Counties) – Brookhaven Science Associates Long Island STEM Hub Working Capital – Economic Development Purposes Fund (Working Capital) - Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Make a Grant and to Take Related Actions

REGIONAL COUNCIL AWARD PROJECTS CONSENT CALENDAR

- E. Regional Council Award Projects Consent Calendar – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make Grants and to Take Related Actions

Regional Council Capital Fund

- A. Geva Theatre Center Capital (Monroe County) - \$100,000

Economic Development Purposes Fund

- B. Launch New York Working Capital (Various Counties) - \$93,565
C. HCIDA Revolving Loan and Grant Fund (Herkimer County) - \$50,000

IV. **NON-DISCRETIONARY PROJECTS**

NON-DISCRETIONARY PROJECTS CONSENT CALENDAR

- A. Non-Discretionary Projects – Authorization to Make Grants and to Take Related Actions

Community Projects Fund (Executive)

- A. Constitution Island Education Center Capital (Putnam County) - \$749,766

Community Capital Assistance Program (Senate)

- B. Bay Ridge Center Capital (Kings County) - \$65,000

HURRICANE IRENE – TROPICAL STORM LEE FLOOD MITIGATION

- B. Chemung County – Local Assistance – Hurricane Irene – Tropical Storm Lee Flood Mitigation (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the General Project Plan; Authorization to Make a Grant and Take Related Actions

Local Assistance – Hurricane Irene – Tropical Storm Lee Flood Mitigation (Executive)

- A. Chemung County – Hurricane Irene - Tropical Storm Lee Flood Mitigation Capital (Chemung County) - \$370,000

V. LAND USE IMPROVEMENT AND CIVIC PROJECTS

- A. New York City (New York County) – Victoria Theatre Redevelopment Land Use Improvement and Civic Project – Affirmation of Land Use Improvement and Civic Project Findings Pursuant to Section 10 of the New York State Urban Development Corporation Act, as amended (the “UDC Act”); Affirmation of the General Project Plan as Modified (“MGPP”); Approval of Ground Lease with Option to Purchase; Adoption of Findings Pursuant to the State Environmental Quality Review Act (“SEQRA”); Adoption of Findings Pursuant to the Public Authorities Law; Override of the New York City Zoning Ordinance and New York City Charter Uniform Land Use Review Procedure; and Authorization to Take Related Actions
- B. Brooklyn (Kings County) - Brooklyn Bridge Park – Civic and Land Use Improvement Project (the “Project”) - Adoption of a Modification to the Modified General Project Plan; and Authorization to Take Related Actions
- C. New York City (New York County) - Moynihan Station Civic and Land Use Improvement Project – Authorization to Enter into a Contract for Farley Building Events Management; and Authorization to Take Related Actions

VI. ADMINISTRATIVE ACTION

- A. Investment Report – Approval of Investment Guidelines and Investment Report and Authorization to Take Related Actions

VII. RADISSON COMMUNITY

- A. Lysander (Onondaga County) - Radisson Community – Procurement for Demolition Services – Authorization to Enter into a Contract for Demolition Services; and Authorization to Take Related Actions

VIII. INFORMATION

- A. President’s Report (Oral)

DRAFT – SUBJECT TO REVIEW AND REVISION

NEW YORK STATE URBAN DEVELOPMENT CORPORATION

d/b/a Empire State Development
Meeting of the Directors
New York City Regional Office
633 Third Avenue
37th Floor Conference Room
New York, New York 10017

and

Buffalo Regional Office
95 Perry Street, Suite 500
Buffalo, New York 14203

June 27, 2013

MINUTES

In Attendance

Directors:

Kenneth Adams (Acting Chair)
Derrick Cephas
Robert Dyson
Joyce Miller
Anthony Albanese – Designee for Superintendent – Department
of Financial Services

Present for ESD:

Maria Cassidy, Deputy General Counsel
Joseph Chan, Executive Vice President – Business Development
Robert Godley, Treasurer
Eunice Jackson, Senior Counsel
Kerri Jew, Senior Counsel
Gavin Landry, Executive Director of Tourism
Ross Levi, Vice President – Marketing Initiatives
Eileen McEvoy, Corporate Secretary
Glendon McLeary, Senior Project Manager
Kathleen Mize, Deputy CFO and Controller
Mehul Patel, Chief of Staff
Susan Shaffer, Vice President – Loans and Grants
Joseph Tazewell, Regional Director – New York City Region
Frances A. Walton, Chief Financial and Administrative Officer

DRAFT – SUBJECT TO REVIEW AND REVISION

For Western New York: Steve Gawlik, Vice President – Capital Projects and Senior Counsel

Also Present: Merideth Bahr-Andreucci, Director-Industry Development
James Fayle, Director – Central New York Regional Office
Barry Greenspan, Economic Development Program Administrator
Diane Kinnicutt, Economic Development Program Specialist
Ed Muszynski, Area Director-Finger Lakes Regional Office
John VanDeLoo, Economic Development Program Specialist
Arnie Will, Economic Development Program Administrator
David J. Wright, Assistant Commissioner, Albany

Also Present: The Press
The Media

The meeting of the Directors of the New York State Urban Development Corporation (“UDC”) d/b/a Empire State Development (“ESD” or the “Corporation”) was called to order at 9:38 a.m. by Acting Chair Adams. It was noted for the record that the time and place of the meeting had been given in compliance with the New York State Open Meetings Law.

Next, Acting Chair Adams set forth the guidelines regarding comments by the public on matters on the Agenda.

Acting Chair Adams then asked the Directors to approve the Minutes of the May 16, 2013 Directors’ meeting. There being no changes or corrections, upon motion duly made and seconded, the following resolution was unanimously adopted:

APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE MAY 16, 2013

DRAFT – SUBJECT TO REVIEW AND REVISION

MEETING OF THE DIRECTORS OF THE NEW YORK STATE URBAN DEVELOPMENT CORPORATION

RESOLVED, that the Minutes of the meeting of the Corporation held on May 16, 2013, as presented to this meeting, are hereby approved and all actions taken by the Directors presented at such meeting as set forth in such Minutes, are hereby in all respects ratified and approved as actions of the Corporation.

* * *

The Acting Chair noted that the Agenda would be taken out of order and asked Gavin Landry to present item II. E. – the Statewide Path Through History Heritage Tourism Grant Program.

Mr. Landry provided a brief outline with regard to this project noting, in part, that it represents a manifestation of the Governor’s vision to collect the historical and cultural assets of New York State in a manner that is both recognizable and consumable by the traveling public.

Acting Chair Adams added that there are ten \$100,000 grants that correspond to the ten regional councils.

Each regional council, he continued, formed a subcommittee to develop the Path Through History in their individual regions.

Following the full presentation, Acting Chair Adams called for questions or comments.

DRAFT – SUBJECT TO REVIEW AND REVISION

Director Dyson asked if any information has been gathered to show if these types of grants are economically effective as regards to the regions receiving them. Mr. Landry stated that there is monitoring in that, the funding is set up whereby 10% is given up front, 80 percent is given at a firm point and the remaining 10% is provided when proof of effectiveness occurs.

Director Cephas asked if there is any sense of whether or not the foreign tourists who come to New York City travel to Upstate New York or Long Island.

Mr. Landry noted that the numbers are typically collected through attractions relative to international travel. He added that sites such as Niagara Falls and the Corning Museum of Glass enjoy a certain amount of international traffic.

Further discussion was had with regard to the importance of utilizing the Regional Council System to provide grants to fund attractions and their marketing to attract visitors.

There being no further questions or comments, and upon motion duly made and seconded, the following resolution was unanimously adopted:

Statewide – Path Through History Heritage Tourism Grant Program – Economic Development Purposes Fund (Working Capital Grants) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Make Grants and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Path Through History Heritage Tourism Grant Program – Economic Development Purposes Fund (Working Capital

DRAFT – SUBJECT TO REVIEW AND REVISION

Grants) (the “Projects”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the areas of the Projects; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make grants for up to a total amount not to exceed One Million Dollars (\$1,000,000) from the Economic Development Purposes Fund for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized, subsequent to the making of the grants, to take such actions and make such modifications to the terms of the grants as he or she may deem necessary or appropriate in the administration of the grants; and be it further

RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

* * *

Next, the Acting Chair asked Ross Levi to present item VI. E. – the Adirondack Challenge.

Mr. Levi provided the relevant background information with regard to this request noting that the event is designed to bring attention to the Adirondack Region as a unique and premier tourist destination.

Mr. Levi explained that the Adirondack Challenge will include whitewater races and on July 21st and July 22nd an all day outdoor festival in the Town of Indian Lake on July 21st.

DRAFT – SUBJECT TO REVIEW AND REVISION

Mr. Levi further explained that the Directors are being asked to approve a contract with LPEC Quality Destinations to organize, plan, coordinate and promote the races and the festival.

Following the full presentation, the Acting Chair called for questions or comments.

Hearing none and upon motion duly made and seconded, the following resolution was unanimously adopted:

Indian Lake (Hamilton County) – Adirondack Challenge – Authorization to Enter Into a Contract with Hamilton County and LPEC Quality Destinations, Inc. for Services in Connection with the Adirondack Challenge, and to Take Related Actions

BE IT RESOLVED, that upon the basis of the materials presented to this meeting (the “Materials”), a copy of which is hereby ordered filed with the records of the Corporation, the Corporation hereby finds Hamilton County and LPEC Quality Destinations, Inc. to be responsible; and be it further

RESOLVED, that the Corporation is hereby authorized to enter into a contract with Hamilton County and LPEC Quality Destinations, Inc. in an amount not to exceed One Hundred Thirty-Seven Thousand and Five Hundred Dollars (\$137, 500) for the purposes and services, and substantially on the terms and conditions, set forth in the Materials; and be it further

RESOLVED, that the President of the Corporation or his designee be, and each of them hereby is, authorized to take such action and execute such documents as may be necessary or appropriate to carry out the foregoing resolution.

* * *

The Acting Chair then asked Mr. Lee to present a summary of the Discretionary Project items on the Agenda. The Acting Chair explained that following this brief presentation, he would call upon the individual Regional Directors or their representatives to present the projects from their region.

DRAFT – SUBJECT TO REVIEW AND REVISION

Mr. Lee noted that the Directors will be asked to consider funding for 18 discretionary projects including one Economic Development Fund Grant of \$750,000; one JOBS Now Grant for \$12,500,000; one Urban and Community Development (“UCD”) Program Grant for \$100,000; one UCD Program Loan for \$3,500,000 and 11 Economic Development Purposes Fund Grants totaling \$4.6 million.

Mr. Lee added that funding will also be requested for four Regional Council Award Grants including two Capital Funds Grants totaling \$1,590,000 and two Economic Development Purposes Fund Grants totaling \$977,535.

Mr. Lee added that these projects will leverage over \$139 million in additional investments and will assist in retaining 2,404 jobs and in creating approximately 625 jobs in New York State.

Following Mr. Lee’s full report, the Acting Chair asked Mr. Will, representing ESD’s Capital Regional Office, to present the GEMx Technologies JOBS Now Program Capital Grant item for the Directors’ consideration.

Mr. Will explained that this \$12.5 million grant to GEMx Technologies, LLC, established by General Electric, supports a \$100 million investment by GE to establish a sodium metal chloride battery manufacturing plant at GE’s Schenectady Campus. This project, he stated, will

DRAFT – SUBJECT TO REVIEW AND REVISION

create 350 jobs.

Following the full presentation, the Acting Chair called for questions or comments.

Hearing none, and upon motion duly made and seconded, the following resolution was unanimously adopted:

Schenectady (Capital Region – Schenectady County) – GEMx Technologies Capital – JOBS Now Program (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the GEMx Technologies Capital - JOBS Now Program (Capital Grant) Project (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project Plan (the “Plan”) for the Project submitted to this meeting, together with such changes therein as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, a copy of which Plan, together with such changes, is hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to GEMx Technologies LLC a grant for a total amount not to exceed Twelve Million Five Hundred Thousand Dollars (\$12,500,000) from the JOBS Now Program, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make

DRAFT – SUBJECT TO REVIEW AND REVISION

such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration of the grant; and be it further

RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

RESOLVED, that the President and Chief Executive Officer or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

* * *

Schenectady (Capital Region – Schenectady County) – GEMx Technologies Capital – JOBS Now Program (Capital Grant) – Determination of No Significant Effect on the Environment

RESOLVED, that based on the material submitted to the Directors with respect to the GEMx Technologies Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

Mr. Greenspan then presented the NBTY Empire State Economic Development Fund project for the Directors' consideration.

Mr. Greenspan noted that the Directors were being asked to authorize ESD to make a \$750,000 grant to NBTY, a manufacturer of nutritional bars in Amityville, Long Island.

Mr. Greenspan further noted that NBTY was formerly known as Nature's Bounty and is one of the country's largest vitamin and nutritional supplement manufacturers and one of Long Island's most important manufacturing companies.

DRAFT – SUBJECT TO REVIEW AND REVISION

Following the full presentation, the Acting Chair called for questions or comments.

Hearing none and upon motion duly made and seconded, the following resolution was unanimously adopted:

North Amityville (Long Island Region – Suffolk County) – NBTY Capital – Empire State Economic Development Fund - General Development Financing (Capital Grant) – Findings and Determinations Pursuant to Sections 16-m and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the NBTY Capital - Empire State Economic Development Fund - General Development Financing (Capital Grant) Project (the “Project”), the Corporation hereby determines pursuant to Sections 16-m and 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that

1. The proposed project would promote the economic health of New York State by facilitating the creation or retention of jobs or would increase activity within a municipality or region of the state or would enhance or help to maintain the economic viability of family farms;
2. The project would be unlikely to take place in New York State without the requested assistance;
3. The project is reasonably likely to accomplish its stated objectives and that the likely benefits of the project exceed costs;
4. There are no families or individuals to be displaced from the project area; and be it further

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project Plan (the “Plan”) for the Project submitted to this meeting, together with such changes therein as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, a copy of which Plan, together with such changes, is hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of

DRAFT – SUBJECT TO REVIEW AND REVISION

such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to NBTY, Inc. a grant for a total amount not to exceed Seven Hundred Fifty Thousand Dollars (\$750,000) from the Empire State Economic Development Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration of the grant; and be it further

RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

RESOLVED, that the President and Chief Executive Officer or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

* * *

North Amityville (Long Island Region – Suffolk County) – NBTY Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) – Determination of No Significant Effect on the Environment

RESOLVED, that based on the material submitted to the Directors with respect to the NBTY Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

Next, Ms. Bahr-Andreucci presented the RED Rochester Capital Loan and Grant project for the Directors' consideration.

DRAFT – SUBJECT TO REVIEW AND REVISION

Among other things, Ms. Andreucci explained that the Directors were being asked to authorize the Corporation to make a \$3.6 million capital grant and a \$3.5 million loan to Recycled Energy Development (“RED”).

Ms. Andreucci added that RED harnesses wasted energy mainly for industrial customers seeking to reduce greenhouse gases and power costs.

Ms. Andreucci went on to provide a detailed outline of RED’s business transaction pertaining to Eastman Business Park.

Mr. Chan then outlined the relevant points of RED’s agreement with Kodak as regards to the future operation of Eastman Business Park.

Following the full presentation, the Acting Chair called for questions or comments.

Hearing none and upon motion duly made and seconded, the following resolution was unanimously adopted:

Rochester and Greece (Finger Lakes Region – Monroe County) – RED Rochester Capital – Urban and Community Development Program (Capital Loan) and Economic Development Purposes Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) and 16(d) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Loan and a Grant and to Take Related Actions; Authorization to Enter into a Contract and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting (the “Materials”), a copy of which is hereby ordered filed with the records of the Corporation, relating to the RED Rochester Capital – Urban and Community Development Program (Capital Loan) and Economic

DRAFT – SUBJECT TO REVIEW AND REVISION

Development Purposes Fund (Capital Grant) Project (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project Plan (the “Plan”) for the Project submitted to this meeting, together with such changes therein as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, a copy of which Plan, together with such changes, is hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to RED Rochester, LLC a loan for a total amount not to exceed Three Million Five Hundred Thousand Dollars (\$3,500,000) from the Urban and Community Development Program and a grant for a total amount not to exceed Three Million Six Hundred Thousand Dollars (\$3,600,000) from the Economic Development Purposes Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the loan and grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the loan or grant or collateral securing the loan as he or she may deem necessary or appropriate in the administration of the loan and grant; and be it further

RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

RESOLVED, the Directors authorize the Corporation to enter into the ESD, DEC, Kodak contract described in Part B of the Materials; and be it further

RESOLVED, that the President and Chief Executive Officer or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

* * *

DRAFT – SUBJECT TO REVIEW AND REVISION

Rochester and Greece (Finger Lakes Region – Monroe County) – RED Rochester Capital – Urban and Community Development Program (Capital Loan) and Economic Development Purposes Fund (Capital Grant) – Determination of No Significant Effect on the Environment

RESOLVED, that based on the material submitted to the Directors with respect to the RED Rochester Capital – Urban and Community Development Program (Capital Loan) and Economic Development Purposes Fund (Capital Grant) Project, the Corporation hereby determines that the proposed actions will not have a significant effect on the environment.

* * *

Mr. Lee then presented the June Discretionary Projects Consent Calendar for the Directors' consideration.

Mr. Lee explained that there were two items for consideration. Mr. Lee described the first project as a \$100,000 working capital grant to the Long Beach Local Development Corporation to promote seasonal tourism and support local businesses in the aftermath of Super Storm Sandy.

Mr. Lee noted that the second project involves a \$100,000 working capital grant to the New York State Economic Development Council ("NYSEDC"). Mr. Lee explained that the NYSEDC has 900 members, including ESD, and works with professionals to promote economic development throughout the State.

Continuing in the pursuit of that goal, Mr. Lee added, NYSEDC and ESD released an RFP

DRAFT – SUBJECT TO REVIEW AND REVISION

to select a firm to implement a direct marketing campaign to attract targeted industries from around the country and Canada to invest and create jobs within New York State.

Mr. Lee further explained that the firm will carefully track these leads and provide monthly progress reports through project completion in July 2014.

Mr. Lee added that ESD’s Strategic Business Division and other contributing partners will manage the leads and pursue them for potential projects.

In closing, Mr. Lee noted that the grant funds will be matched one to one by grant contributions by other key NYSEDC members.

Following the full presentation, the Acting Chair called for questions or comments. Hearing none and upon motion duly made and seconded, the following resolution was unanimously adopted:

Urban and Community Development Program - Findings and Determinations Pursuant to Sections 10(g), 5(4) and 16-d of the Act; Authorization to Make Grants and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Urban and Community Development Program Project (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area(s); and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s)

DRAFT – SUBJECT TO REVIEW AND REVISION

be, and each of them hereby is, authorized to make a grant to the party and for the amount listed below from the Urban and Community Development Program, for the purposes, and substantially on the terms and conditions, set forth in the Materials, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration of the grant; and be it further

RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals;

Urban and Community Development Program

	Project Name	Proj #	Grantee	Assistance up to
	Urban and Community Development Assistance			
A.	Long Beach LDC Working Capital	Y422	Long Beach Local Development Corporation	\$100,000
	Urban and Community Technical Assistance			
B.	NYSEDC Working Capital	Y562	The New York State Economic Development Council	100,000
			TOTAL	\$200,000

and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

* * *

Next, Mr. Fayle asked the Directors to authorize ESD to make a \$994,000 capital grant in connection with the Owera Vineyards Regional Council Capital Fund item.

DRAFT – SUBJECT TO REVIEW AND REVISION

Mr. Fayle noted that this \$2.8 million project involved building and creating a new wine production and farm stand operation in Madison County.

Among other things, Mr. Fayle noted that the project was to have created five new jobs and in fact, has already created 18 new jobs.

Following the full presentation, the Acting Chair called for questions or comments. Hearing none, and upon motion duly made and seconded, the following resolution was unanimously adopted:

Regional Council Award – Priority Project – Cazenovia (Central New York Region – Madison County) – Owera Vineyards Capital – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Owera Vineyards Capital – Regional Council Capital Fund (Capital Grant) Project (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project Plan (the “Plan”) for the Project submitted to this meeting, together with such changes therein as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, a copy of which Plan, together with such changes, is hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of

DRAFT – SUBJECT TO REVIEW AND REVISION

such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to EBAC, LLC a grant for a total amount not to exceed Nine Hundred and Ninety-Four Thousand Dollars (\$994,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration of the grant; and be it further

RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

RESOLVED, that the President and Chief Executive Officer or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

* * *

Regional Council Award – Priority Project – Cazenovia (Central New York Region – Madison County) – Owera Vineyards Capital – Regional Council Capital Fund (Capital Grant) – Determination of No Significant Effect on the Environment

RESOLVED, that based on the material submitted to the Directors with respect to the Owera Vineyards Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

Mr. VanDeLoo then asked the Directors to authorize ESD to make a grant of \$596,000 in connection with the Slic Network Solutions Regional Council Capital Fund item.

DRAFT – SUBJECT TO REVIEW AND REVISION

Mr. VanDeLoo noted that the grant will be used for a portion of the cost of installing 25 miles of internet fiber cable and related infrastructure network equipment between Tupper Lake in Franklin County and Long Lake in Hamilton County.

Following the full presentation, the Acting Chair called for questions or comments. Director Miller asked if this project would qualify for some sort of funding from the USDA because of the rural area. The Acting Chair stated that he did not have that information on hand but that he would check with ESD’s broadband expert, Dave Solway, on that question and get back to her with an answer.

There being no further questions or comments, and upon motion duly made and seconded, the following resolution was unanimously adopted:

Regional Council Award (North Country Region – Franklin & Hamilton Counties) – Slic Network Solutions Capital – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Sections 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, (“the Corporation”) relating to the Slic Network Solutions Capital – Regional Council Capital Fund (Capital Grant) Project, (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project Plan (the “Plan”) for the Project submitted to this meeting, together with such changes therein as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, a copy of which Plan, together with such changes, is hereby ordered filed with the records of the Corporation; and be it further

DRAFT – SUBJECT TO REVIEW AND REVISION

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Slic Network Solutions Inc. a grant for a total amount not to exceed Five Hundred Ninety-Six Thousand Dollars (\$596,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration of the grant; and be it further

RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

RESOLVED, that the President and Chief Executive Officer or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

* * *

The Acting Chair took the Agenda slightly out of order and asked Mr. Tazewell to present the NYC Seedstart Project.

Mr. Tazewell, the Director of the New York City Regional Office, then presented the NYC Seedstart Regional Council Capital Award Project. Mr. Tazewell asked the Directors to approve a \$550,000 grant to Seedstart to be used for a portion of certain operating costs in connection with a program on a wide variety of start-up topics including raising private capital and business

DRAFT – SUBJECT TO REVIEW AND REVISION

mentorship opportunities.

Following the full presentation, the Acting Chair then called for any further questions or comments. Hearing none, and upon motion duly made and seconded, the following resolution was unanimously adopted:

Regional Council Award – Priority Project – Brooklyn (New York City Region – Kings County) – NYC Seedstart Working Capital – Economic Development Purposes Fund (Working Capital) – Findings and Determinations Pursuant to Sections 10 (g) of the Act; Authorization to Make a Grant and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the NYC Seedstart Working Capital - Economic Development Purposes Fund (Working Capital) Project (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to NYC Seedstart LLC a grant for a total amount not to exceed Five Hundred Fifty Thousand Dollars (\$550,000) from the Economic Development Purposes Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration of the grant; and be it further

RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

RESOLVED, that the President and Chief Executive Officer or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

DRAFT – SUBJECT TO REVIEW AND REVISION

* * *

Mr. Greenspan then asked the Directors to authorize ESD to make a \$427,535 Regional Council Capital Award grant to the Town of Hempstead Department of Occupational Resources to reimburse a portion of training costs for 114 low-income dislocated workers throughout Long Island. To date 152 individuals have completed training and 42 of those graduates are currently employed.

Following the full presentation, the Acting Chair called for questions or comments. Hearing none, and upon motion duly made and seconded, the following resolutions were unanimously adopted:

Regional Council Award – Priority Project – Various Locations (Long Island Region – Nassau & Suffolk County) – Long Island Business and Workforce Investment Project – Economic Development Purposes Fund (Working Capital Grant) – Findings and Determinations Pursuant to Sections and 10 (g) of the Act; Authorization to Make a Grant and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Long Island Business and Workforce Investment Project - Economic Development Purposes Fund (Working Capital Grant) Project (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the Project area; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to the Long Island Business and Workforce Investment Project a grant for a total amount not to exceed Four Hundred Twenty Seven Thousand, Five Hundred Thirty Five Dollars (\$427,535) from the Economic Development Purposes Funds, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

DRAFT – SUBJECT TO REVIEW AND REVISION

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration of the grant; and be it further

RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

RESOLVED, that the President and Chief Executive Officer or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

* * *

Regional Council Award – Priority Project – Various Locations (Long Island – Nassau & Suffolk County) – Long Island Business and Workforce Investment Project – Economic Development Purposes Fund – Determination of No Significant Effect on the Environment

RESOLVED, that based on the material submitted to the Directors with respect to the Long Island Business and Workforce Investment Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

Next, Mr. McLeary presented the June Non-Discretionary Consent Calendar for approval.

Mr. McLeary noted that the Directors were being asked to approve three Senate sponsored projects for \$1,340,000 in assistance authorized or re-appropriated in the fiscal year 2012-2013 New York State Budget.

DRAFT – SUBJECT TO REVIEW AND REVISION

Mr. McLeary went on to explain that due diligence has been exercised by ESD staff and that the recipients have provided ESD with the required disclosure and accountability certifications.

Mr. McLeary noted that the first project involves a \$50,000 grant to the Town of Hadley for a portion of the cost of construction for the Senior Community Center.

The second project, Mr. McLeary noted, is a \$290,000 grant to Monroe County for apportionment of the cost of 12 economic development and work force training initiatives conducted by 12 beneficiary organizations.

Mr. McLeary explained that the final project involves a \$1,000,000 grant to the Community Transit LLC for the Agudath Israel of America-Security Services, Inc. to install 100 security cameras throughout the Borough Park and Midwood Communities in Brooklyn.

Following the presentation, the Acting Chair called for questions or comments. Director Dyson inquired with regard to the workforce training item whether or not ESD has any kind of in-house expertise to assess the programs. The Acting Chair noted that ESD did have such an expert who was hired away by Syracuse University. ESD, he added, will endeavor to replace that individual to ensure the programs are monitored for efficiency.

There being no further questions or comments, and upon motion duly made and

DRAFT – SUBJECT TO REVIEW AND REVISION

seconded, the following resolution was unanimously adopted:

Community Capital Assistance Program – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Community Capital Assistance Program Project (the “Project”), in accordance with Chapter 84 of the Laws of 2002 for the Community Capital Assistance Program, the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the General Project Plan (the “Plan”) for the Project submitted to this meeting, together with such changes therein as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, a copy of which Plan, together with such changes, are hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, that upon written findings of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written findings being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make a grant to the party and for the amount listed below from the Community Capital Assistance Program, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration of the grant; and be it further

RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

DRAFT – SUBJECT TO REVIEW AND REVISION

Community Capital Assistance Program – Senate - Project Summary Table

	Project Name	Proj #	Grantee	Assistance up to
1	Town of Hadley – Senior Community Center Construction Capital	V486	Town of Hadley	50,000
			TOTAL	\$50,000

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

* * *

Local Assistance - Findings and Determinations Pursuant to Section 10 (g) of the Act;
Authorization to Make Grants and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Local Assistance Project (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area(s); and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make grants to the parties and for the amounts listed below from Local Assistance, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the grants, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grants as he or she may deem necessary or appropriate in the administration of the grants; and be it further

RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

DRAFT – SUBJECT TO REVIEW AND REVISION

Local Assistance – Senate – Project Summary Table

	Project Name	Proj #	Grantee	Assistance up to
2	Monroe County – Economic Development and Workforce Training	Y153	Town of Hadley	290,000
			TOTAL	\$290,000

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

* * *

New York State Economic Development Assistance Program - Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the New York State Economic Development Assistance Program project (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area(s); and be it further

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project Plan (the “Plan”) for the Project submitted to this meeting, together with such changes therein as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, a copy of which Plan, together with such changes, are hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make a grant to the party and for the amount listed below from the New York State Economic

DRAFT – SUBJECT TO REVIEW AND REVISION

Development Assistance Program, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration of the grant; and be it further

RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

New York State Economic Development Assistance Program - Senate - Project Summary Table

	Project Name	Proj #	Grantee	Assistance up to
3	Agudath Israel of America – Security System Capital	Y070	Community Transit Systems, LLC	1,000,000
			TOTAL	\$1,000,000

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

* * *

Ms. Jackson then presented the 121 West 125th Street project for approval by the Directors.

Ms. Jackson provided a detailed synopsis of the actions to be considered with regard to this project.

Following the full presentation, the Acting Chair called for questions or comments.

DRAFT – SUBJECT TO REVIEW AND REVISION

Director Cephas asked if there was a timetable with regard to completion of the project.

Ms. Jackson stated that it is currently anticipated that the lease will be signed by the developer in the Fall with construction expected to begin approximately 18 months later.

There being no further questions or comments, and upon motion duly made and seconded, the following resolution was unanimously adopted:

New York City (New York County) –121 West 125th Street (Urban League Empowerment Center) Land Use Improvement and Civic Project – Land Use Improvement and Civic Project Findings; Determination that No Supplemental Environmental Impact Statement Needed; Adoption of Findings Pursuant to Article 8 of the Environmental Conservation Law, the State Environmental Quality Review Act and its implementing regulations; Adoption of General Project Plan; Approval of Lease; Authorization to Hold a Public Hearing; Authorization to Acquire and Dispose of Real Property in accordance with Applicable Provisions of the Public Authorities Law; and Authorization to Take Related Actions.

RESOLVED, that, on the basis of the materials presented to this meeting (the “Materials”), a copy of which is hereby ordered filed with the records of the Corporation relating to the 121 West 125th Street (Urban League Empowerment Center) Land Use Improvement and Civic Project (the “Project”), the Corporation hereby determines and finds pursuant to Section 10(c) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that:

- (1) That the area in which the project is to be located is a substandard or insanitary area, or is in danger of becoming a substandard or insanitary area and tends to impair or arrest the sound growth and development of the municipality;
- (2) That the project consists of a plan or undertaking for the clearance, re-planning, reconstruction and rehabilitation of such area and for recreational and other facilities incidental or appurtenant thereto;
- (3) That the plan or undertaking affords maximum opportunity for participation by private enterprise, consistent with the sound needs of the municipality as a whole;

and be it further

DRAFT – SUBJECT TO REVIEW AND REVISION

RESOLVED, that, on the basis of the Materials, the Corporation hereby determines and finds pursuant to Section 10(d) of the Act, that:

- (1) there exists in the area in which the project is to be located, a need for the educational, cultural, recreational, community, municipal, public service or other civic facility to be included in the project;
- (2) the project shall consist of a building or buildings or facilities which are suitable for educational, cultural, recreational, community, municipal, public service or other civic purposes;
- (3) such project will be leased to or owned by the state or an agency or instrumentality thereof, a municipality or an agency or instrumentality thereof, a public corporation, or any other entity which is carrying out a community, municipal, public service or other civic purpose, and that adequate provision has been or will be, made for the payment of the cost of acquisition, construction, operation, maintenance and upkeep of the project;
- (4) the plans and specifications assure or will assure adequate light, air, sanitation and fire protection; and be it further

RESOLVED, that, on the basis of the Materials, the Corporation hereby determines and finds pursuant to Section 10(g) of the Act that there are no families or individuals to be displaced from the Project area; and be it further

RESOLVED, having reviewed the Technical Memorandum, the Corporation hereby determines that no Supplemental Environmental Impact Statement is needed in connection with adoption of the General Project Plan for the Project (the “GPP”); and be it further

RESOLVED, that with respect to the Project, the Corporation hereby makes and adopts pursuant to the State Environmental Quality Review Act (“SEQRA”) the following findings and determinations, which findings and determinations are made after full consideration of the Findings Statement attached as Exhibit B hereto, which Exhibit B is hereby adopted by the Corporation and copies of which document are hereby filed with the records of the Corporation.

- The Corporation has given consideration to the Draft and Final Environmental Impact Statement prepared for the Project;
- The requirements of the SEQRA process, including the implementing regulations of the New York State Department of Environmental Conservation, have been met;
- Consistent with social, economic and other essential considerations from among the reasonable alternatives available, the Project is one that avoids or minimizes adverse environmental effects to the maximum extent practicable, including the effects disclosed in the relevant environmental impact statement;

DRAFT – SUBJECT TO REVIEW AND REVISION

- Consistent with social, economic and other essential considerations, adverse environmental effects revealed in the environmental impact statement process will be avoided or minimized to the maximum extent practicable by incorporating as conditions to the decision those mitigative measures which were identified as practicable.

RESOLVED, that the President and Chief Executive Officer or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to comply with the requirements of SEQRA in connection with the Project; and be it further

RESOLVED, that subject to Section 16 of the Act, the Corporation does hereby adopt the proposed GPP as presented to this meeting, together with such changes therein as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, a copy of which, together with such changes, is hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, that the Corporation hereby finds that the Lease is in conformity with the GPP and does hereby approve, subject to Section 6 of the Act, the Lease substantially on the terms set forth in the Materials; and be it further

RESOLVED, that on the basis of the Materials, the Directors hereby find that there is no reasonable alternative to the proposed below fair market value transfer that would achieve the same purpose of such transfer; and be it further

RESOLVED, that the proper officers of the Corporation are hereby authorized and directed to hold a public hearing on the GPP and the Lease and the transactions contemplated thereby in accordance with the requirements of the Act; and be it further

RESOLVED, that upon a written finding of the Chief Executive Officer of the Corporation that no substantive negative testimony or comment has been received at such public hearing, the GPP shall be deemed effective as of the conclusion of the public hearing; and be it further

RESOLVED, that upon the effectiveness of the GPP, the Corporation is authorized to acquire real property from the State of New York, the City of New York and/or the New York City Economic Development Corporation as may be needed to assemble the Project site, and to dispose of the same by the execution and delivery of the Lease, all as substantially set forth in the GPP; and be it further

RESOLVED, that approvals set forth herein are expressly contingent upon: (1) approval of the Public Authorities Control Board, as applicable; and (2) receipt of all other necessary approvals; and be it further

RESOLVED, that the President and Chief Executive Officer or authorized designee(s) be, and each of them hereby is, authorized and directed in the name of and on behalf of the

DRAFT – SUBJECT TO REVIEW AND REVISION

Corporation to execute and deliver any and all such documents and to take all such related actions as may be necessary or appropriate to effectuate the foregoing resolutions.

* * *

Ms. Mize then presented the Annual Financial Reports for the Directors’ approval noting that such approval is required by the Public Authorities Law.

Following the full presentation, the Acting Chair called for questions or comments.

Hearing none, and upon motion duly made and seconded, the following resolution was unanimously adopted:

NEW YORK STATE URBAN DEVELOPMENT CORPORATION d/b/a EMPIRE STATE DEVELOPMENT CORPORATION – (the “Corporation”) Approval of Certain Annual Financial Reports and Authorization to take Related Actions

WHEREAS, the Corporation wishes to comply with §2800 of the Public Authorities Law (the Law) which mandates that public benefit corporations annually prepare certain financial reports (the Reports) which for the Corporation consists of the independent audit;

WHEREAS, an independent audit is required by §2802 of the Law;

WHEREAS, §2800 of said Law also requires the annual approval by the Board and certifications by the Chief Executive Officer and Chief Financial Officer of the Report;

WHEREAS, an independent audit has been prepared for the fiscal year ended March 31, 2013;

WHEREAS, the Corporation has reviewed said Reports and found them to be satisfactory; and

NOW, THEREFORE, based on the materials submitted herewith, IT IS HEREBY RESOLVED that the Reports are hereby approved; and it is further

RESOLVED, that the President and Chief Executive Officer, the Chief Financial and Administrative Officer, the Treasurer or their designees be, and each of them hereby is, authorized and empowered to submit said Reports, as required by law, and to take such action

DRAFT – SUBJECT TO REVIEW AND REVISION

and execute such agreements and instruments as he or she may consider necessary or desirable or appropriate in connection with the implementation and approval of the Reports and to take related actions.

* * *

Next, Ms. Jew and Ms. Shaffer presented ESD’s Mission Statement and Related Performance Measurements for approval by the Directors.

Following the full presentation, the Acting Chair called for questions or comments. Hearing none and upon motion duly made and seconded, the following resolution was unanimously adopted:

NEW YORK STATE URBAN DEVELOPMENT CORPORATION – Reexamination of Mission Statement and Related Performance Measurements, and Acceptance of FY 2012-2013 Performance Measurement Report

WHEREAS, New York State Public Authorities Law § 2824-a requires each authority to reexamine its mission statement and performance measurements annually, therefore

BE IT RESOLVED, that the Directors hereby confirm that they have reexamined the mission statement and related performance measurements as previously adopted and recommend no further amendments; and be it further

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is order filed with the records of the Corporation (the “Materials”), the FY 2012-2013 Performance Measurement Report is hereby accepted.

* * *

Mr. Gawlik then asked the Director to authorize ESD to enter into a contract with LiRo Engineers, Inc. for design and construction management services associated with the Episcopal Church Home in Buffalo.

DRAFT – SUBJECT TO REVIEW AND REVISION

Following the full presentation, the Acting Chair then called for any further questions or comments. Hearing none, and upon motion duly made and seconded, the following resolution was unanimously adopted:

NEW YORK STATE URBAN DEVELOPMENT CORPORATION – Authorization to Enter into a Contract for Consultant Services relating to Episcopal Church Home; and Authorization to Take Related Actions

BE IT RESOLVED, that upon the basis of the materials presented to this meeting (the “Materials”), a copy of which is hereby ordered filed with the records of the Corporation, the Corporation hereby finds LiRo Engineers, Inc. to be responsible; and be it further

RESOLVED, that the Corporation is hereby authorized to enter into a contract with LiRo Engineers, Inc. for an amount not to exceed Six Hundred Fifty Thousand Three Hundred and Eleven and 17/100 Dollars (\$650,311.17) plus a 10% contingency of Sixty Five Thousand and Thirty One and 00/100 Dollars (\$65,031.00) for a total contract amount not to exceed Seven Hundred Fifteen Thousand Three Hundred and Forty Two and 17/100 Dollars (\$715,342.17) for the purposes and services, and substantially on the terms and conditions, set forth in the Materials; and be it further

RESOLVED, that the Chief Executive Officer, or other officer of the Corporation, or his or her designee be, and each of them hereby is, authorized to take such action and execute such documents as may be necessary or appropriate to carry out the foregoing resolution.

* * *

Mr. Gawlik then asked the Directors to approve an amendment to ESD’s contract with Foley & Lardner LLP for legal services in connection with the Buffalo Bills lease.

Following the full presentation, the Acting Chair called for questions or comments. Hearing none, and upon motion duly made and seconded, the following resolution was unanimously adopted:

DRAFT – SUBJECT TO REVIEW AND REVISION

Empire State Development – Authorization to Enter Into an Amended Contract with Foley & Lardner LLP to Provide Legal Services and to Take Related Actions

BE IT RESOLVED, that upon the basis of the materials presented to this meeting (the “Materials”), a copy of which is hereby ordered filed with the records of the Corporation, the Corporation hereby finds Foley & Lardner LLP to be responsible; and be it further

RESOLVED, that the Corporation is hereby authorized to enter into an amended contract with Foley & Lardner LLP in an amount not to exceed Three Hundred Thousand Dollars (\$300,000) for the purposes and services, and substantially on the terms and conditions, set forth in the Materials; and be it further

RESOLVED, that the President of the Corporation or his designee be, and each of them hereby is, authorized to take such action and execute such documents as may be necessary or appropriate to carry out the foregoing resolution.

* * *

Ms. Kinnicutt then presented the Quarterly and Annual Reports on Procurement Commitments to Certified Minority and Women-Enterprises for the Directors’ information.

Acting Chair Adams provided a brief President’s Report on the recent activities of the Corporation.

There being no further business, the meeting was adjourned at 11:21 a.m.

Respectfully submitted,

Eileen McEvoy
Corporate Secretary



FOR CONSIDERATION

July 18, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Blooming Grove (Mid Hudson Region – Orange County) – Mediacom Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant)

REQUEST FOR: Findings and Determinations Pursuant to Sections 16-m and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions; Determination of No Significant Effect on the Environment

General Project Plan

I. Project Summary

Grantee: Mediacom Communications Corporation (“Mediacom” or the “Company”)

ESD* Investment: A grant of up to \$1,000,000 to be used for a portion of the cost of new construction.

* The New York State Urban Development Corporation doing business as Empire State Development (“ESD” or the “Corporation”)

Project Location: 1 Mediacom Way, Blooming Grove, Orange County

Proposed Project: Construction of a new 110,000-square-foot headquarters and adjacent 12,000-square-foot utility/storage building

Project Type: Business expansion at a new facility involving job retention

Regional Council: The Mid Hudson Regional Council has been made aware of this item. The Incentive Offer was accepted in July 2011, predating the Regional

Council Initiative. The project is consistent with the Mid Hudson Region Economic Development Council Strategic Plan to retain jobs in the region and grow existing businesses.

Employment:	Initial employment at time of ESD Incentive Offer:	250*
	Current employment level:	290*
	Minimum employment on/through January 1, 2016:	250*

* Includes up to 33 Full-Time Contract Employees.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Building Construction	\$34,873,242
Equipment	5,576,056
Professional Fees	3,148,630
Soft Costs	<u>315,530</u>

Total Project Costs \$43,913,458

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD – Grant	\$1,000,000	2%
Company Equity	<u>42,913,458</u>	<u>98%</u>
Total Project Financing	<u>\$43,913,458</u>	<u>100%</u>

III. Project Description

A. Company

Industry: Telecommunication (cable/broadband) services.

Company History: The Company was founded in 1995 by Chairman and CEO Rocco B. Commisso. Mediacom is the nation’s eighth largest cable television company and one of the leading cable operators focused on serving the smaller cities in the United States, with a significant customer concentration in the Midwestern and Southeastern regions. Mediacom offers a wide array of residential and commercial information, communications and entertainment services, including video, high-speed data and phone, and provides innovative broadband communication solutions.

Ownership: Mediacom is a privately owned corporation.

Size: All facilities located in Blooming Grove, NY

Market: Through its two primary operating subsidiaries, Mediacom LLC and Mediacom Broadband LLC, Mediacom provides cable and broadband services to approximately 2.79 million homes across 22 states in the Midwestern and Southeastern regions of the United States.

The Company's competitors include Dish Network, DirectTV, AT&T, Verizon, Centurylink, Windstream and Frontier.

ESD Involvement: Prior to commencing the project, Mediacom evaluated the option of leasing existing Class A office space in Northern New Jersey, and relocating the existing work force from Middletown to New Jersey, as well as creating new jobs in that state. The New Jersey Economic Development Authority approved a significant package of financial incentives for Mediacom in an effort to entice the company to relocate its corporate headquarters in New Jersey. In mid-2011, Mediacom advised ESD that it was considering locations outside of New York. In order to induce the project to proceed in New York and retain 250 jobs, ESD offered a \$1,000,000 grant to fund a portion of the cost of the construction of the Company's back office facility. To further support the Company's expansion, the Incentive Proposal also includes up to \$6,500,000 in Excelsior Tax Credits that the Grantee can receive over ten years, beginning with the 2013 tax year, for the creation of 140 net new Full-time Permanent Employees at the Project Location.

Competition: The Company considered carrying out this project in New Jersey.

Past ESD Support: This is the Company's first project with ESD.

B. The Project

Completion: June 2013

Activity: Mediacom Realty, LLC, a wholly owned subsidiary of Mediacom, acquired the property at 1 Mediacom Way in Blooming Grove and constructed a 110,000-square-foot Class A office space together with a 12,000-square-foot utility/storage building (the "Facility"). Mediacom relocated its workforce of more than 250 employees from its former location at 100 Crystal Run Road to the Facility in June of 2013. Construction and

equipping of the Facility is nearly complete for a total cost of approximately \$43 million.

Results: The project will result in the retention of 250 existing jobs, inclusive of 33 contract employees.

Grantee Contact: Tom Larsen, Group Vice President, Legal and Regulatory Affairs
100 Crystal Run Road
Middletown, NY 10941
Phone: (845) 443-2754 Fax: (845) 698-4570

ESD Project No.: X465

Project Team:	Origination	Paul Taxter
	Project Management	Glenda Wenerski
	Contractor & Supplier Diversity	Denise Ross
	Finance	Jonevan Hornsby
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the \$1,000,000 capital grant (\$10,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Company will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Company's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Prior to disbursement, the Company must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's payroll, who has worked at the Project Location for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Grantee's payroll, who have worked at the Project Location for a combined minimum of thirty-five hours per week for not less

than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties.

5. Up to \$1,000,000 will be disbursed to the Grantee in three installments as follows:
 - a) an Initial Disbursement of an amount equal to 50% of the grant (\$500,000) will be disbursed upon completion of the project substantially as described in these materials, submission of a Certificate of Occupancy, documentation of the employment of at least 250 Full-Time Permanent Employees at the Project Location (may include up to 33 Full-Time Contract Employees), and project expenditures of approximately \$34,700,000, assuming that all project approvals have been completed and funds are available;
 - b) a Second Disbursement of 25% of an amount equal to the grant (\$250,000) will be disbursed no sooner than 12 months after the date the Initial Disbursement was made, upon documentation of the employment of at least 250 Full-time Permanent Employees at the Project Location (may include up to 33 Full-Time Contract Employees), provided Grantee is otherwise in compliance with program requirements;
 - c) a Third Disbursement of an amount equal to 25% of the grant (\$250,000) will be disbursed no sooner than 24 months after the date the Initial Disbursement was made, upon documentation of the employment of at least 250 Full-time Permanent Employees at the Project Location (may include up to 33 Full-Time Contract Employees), provided Grantee is otherwise in compliance with program requirements.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after July 29, 2011, to be considered eligible project costs. All disbursements must be requested by April 1, 2016.

6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$1,000,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
7. In consideration for the making of the Grant, Grantee will achieve the Employment Goals set forth in Column B of the table below. If the Full-time Permanent Employee Count for the year prior to the reporting date set forth in Column A of the table below is less than eighty-five percent (85%) of the Employment Goal set forth in Column B (an "Employment Shortfall"), then upon demand by ESD, Grantee shall be obligated to repay to ESD a portion of each disbursement of the Grant, as follows:

The Recapture Amount is based on the time that has lapsed between when the Grant funds were disbursed and when the Employment Shortfall occurred. The Recapture Amount shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:

- (i) 100% of the disbursed amount if the Employment Shortfall occurred in the calendar year that the disbursement was made, or in the first full calendar year after the disbursement was made;
- (ii) 80% of the disbursed amount if the Employment Shortfall occurred in the second full calendar year after the disbursement was made;
- (iii) 60% of the disbursed amount if the Employment Shortfall occurred in the third full calendar year after the disbursement was made;
- (iv) 40% of the disbursed amount if the Employment Shortfall occurred in the fourth full calendar year after the disbursement was made;
- (v) 20% of the disbursed amount if the Employment Shortfall occurred in the fifth full calendar year after the disbursement was made.

The Grantee’s number of Full-time Permanent Employees shall be deemed to be the greater of the number as of the last payroll date in the month of December for such year or the average employment for the 12 month period computed by quarter.

Baseline Employment	250*
---------------------	------

A	B
Date	Employment Goals
February 1, 2014	250*
February 1, 2015	250*
February 1, 2016	250*

*Includes up to 33 Full-Time Contract Employees.

IV. Statutory Basis

1. The proposed project would promote the economic health of New York State by facilitating the creation or retention of jobs or would increase activity within a municipality or region of the state or would enhance or help to maintain the economic viability of family farms.

As a result of this project, the Company will maintain its employment level of 250, including retention of 217 Permanent Employees and up to 33 Contract Employees, jobs which were at risk of relocation to another state.

2. The proposed project would be unlikely to take place in New York State without the requested assistance.

The Company considered relocating its operations to New Jersey. ESD's assistance helped to reduce costs and make the project feasible in New York.

3. The project is reasonably likely to accomplish its stated objectives and the likely benefits of the project exceed costs.

Benefit-Costs Evaluations are used in evaluating projects that are categorized as Business Investment, Infrastructure Investment, and Economic Growth Investment and that involve 1) job retention and/or creation and/or 2) construction-related activity. For Business Investment projects, benefits typically reflect the impact of both jobs and construction-related activity. For Infrastructure Investment and Economic Growth Investment projects, which generate long-term benefits not captured in the period of analysis and may involve no permanent job commitments, the estimated benefits typically reflect only construction-related activity.

Evaluated over a seven-year period, the following are anticipated project impacts (dollar values are present value):

- Fiscal benefits to NYS government from the project are estimated at \$20,111,166;
- Fiscal cost to NYS government is estimated at \$6,543,920;
- Project cost to NYS government per direct job is \$25,946;
- Project cost to NYS government per job (direct plus indirect) is estimated at \$21,477;
- Ratio of project fiscal benefits to costs to NYS government is 3.07:1;
- Fiscal benefits to all governments (state and local) are estimated at \$34,586,307;
- Fiscal cost to all governments is \$8,803,452;
- All government cost per direct job is \$34,905;
- All government cost per total job is \$28,892;
- The fiscal benefit to cost ratio for all governments is 3.93:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$196,630,798, or \$645,325 per job (direct and indirect);
- The economic benefit to cost ratio is 22.34:1;
- Project construction cost is \$38,437,402, which is expected to generate 278 direct job years and 143 indirect job years of employment;
- For every permanent direct job generated by this project, an additional 0.21 indirect job is anticipated in the state's economy;
- The payback period for NYS costs is one year.

*The analysis is based on the commitment to create 140 new jobs under the terms of the Excelsior Jobs Program since the incentive proposal includes both the \$1 million grant and up to \$6.5 million in tax credits.

(See Project Summary Benefit-Cost Evaluation attached for detail and definitions.)

4. The requirements of Section 10(g) of the Act are satisfied.
No residential relocation is required because there are no families or individuals residing on the site.

V. Environmental Review

The Town of Blooming Grove Town Board, as lead agency, has completed an environmental review of the proposed project, pursuant to the requirements of the State Environmental Quality Review Act ("SEQRA") and the implementing regulations of the New York State Department of Environmental Conservation. This review found the project to be a Type I Action, which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on July 11, 2011. ESD staff reviewed the Negative Declaration and supporting materials and concurs. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

VI. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-discrimination and Contractor and Supplier Diversity policy will apply. Pursuant to New York State Executive Law Article 15-A, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority- and women-owned business in the performance of ESD contracts. For purposes of this Contract, however, project performance has already been completed, and therefore, Contract goals cannot be established.

VII. ESD Financial Assistance Subject to Availability of Funds and Additional Approval

The provision of ESD financial assistance is contingent upon the availability of funds and the approval of the State Division of the Budget.

VIII. Additional Submissions to Directors

Resolutions
New York State Map
Project Finance Memorandum
Benefit-Cost Analysis

July 18, 2013

Blooming Grove (Mid Hudson Region – Orange County) – Mediacom Capital – Empire State Economic Development Fund Capital – Findings and Determinations Pursuant to Sections 16-m and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Mediacom Capital -- Empire State Economic Development Fund – General Development Financing (Capital Grant) Project (the “Project”), the Corporation hereby determines pursuant to Sections 16-m and 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that

1. The proposed project would promote the economic health of New York State by facilitating the creation or retention of jobs or would increase activity within a municipality or region of the state or would enhance or help to maintain the economic viability of family farms;
2. The project would be unlikely to take place in New York State without the requested assistance;
3. The project is reasonably likely to accomplish its stated objectives and that the likely benefits of the project exceed costs;
4. There are no families or individuals to be displaced from the project area; and be it further

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project Plan (the “Plan”) for the Project submitted to this meeting, together with such changes therein as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, a copy of which Plan, together with such changes, is hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Mediacom Communications Corporation a grant for a total amount not to exceed One Million Dollars (\$1,000,000) from the Empire State Economic Development Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be,

subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration of the grant; and be it further

RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

RESOLVED, that the President and Chief Executive Officer or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

* * *

July 18, 2013

Blooming Grove (Mid Hudson Region – Orange County) – Mediacom Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) – Determination of No Significant Effect on the Environment

RESOLVED, that based on the material submitted to the Directors with respect to the Mediacom Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *



FOR CONSIDERATION

July 18, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: New York City (New York City Region – New York County) – Carver Bancorp Working Capital – Minority- and Women-Owned Business Development and Lending Program (Working Capital)

REQUEST FOR: Findings and Determinations Pursuant to Sections 16-c and 10 (g) of the Act; Authorization to Make a Grant and to Take Related Actions; Determination of No Significant Effect on the Environment

I. Project Summary

Grantee: Carver Bancorp, Inc. (“Carver Bank”)

Beneficiary Company: Metropolitan Transportation Authority (“MTA”)

ESD* Investment: A grant of up to \$480,000 to be used as loan loss reserve to support a joint initiative by Carver Bank and MTA to improve small businesses’ ability to access loan capital.

* The New York State Urban Development Corporation doing business as Empire State Development (“ESD” or the “Corporation”)

Project Location: 75 West 125th Street, New York, New York County

Proposed Project: Funding of a loan loss reserve to support the Small Business Development Program (“SBDP”)/Capital Access Program, which will facilitate the process for NYS qualified Minority and Women-Owned Business (“MWBE”) firms to access much needed short term loan capital.

Project Type: Working capital to fund a Loan Loss Reserve

Regional Council: The New York City Regional Council has been made aware of this item. The Regional Council has identified legislative and regulatory actions in a number of different areas that it believes would support the achievement of this plan’s objectives, particularly in relation to the elimination of barriers to job creation, business development and private investment. Priority action recommendations of the council will include Business Development and Support assistance for Minority and Women-Owned Businesses.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Loan Loss Reserve	<u>\$480,000</u>	
Total Project Costs	<u>\$480,000</u>	
<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD – Grant	<u>\$480,000</u>	<u>100%</u>
Total Project Financing	<u>\$480,000</u>	<u>100%</u>

III. Project Description

A. Company

Industry: Carver Bank is a consumer and commercial financial institution.

Company History: Founded in 1948, Carver Bank has grown into the largest African American and Caribbean-American led bank in the United States. Carver Bank’s mission is rooted in expanding wealth enhancing opportunities in the communities it serves, by expanding access to capital as well as financial advice to its customers. Over 80% of Carver Bank’s deposits are reinvested in the communities it serves. Carver Bank has been designated by the U.S. Treasury Department as a Community Development Financial Institution ("CDFI").

Ownership: Publicly-traded financial institution

Size: Headquartered in Harlem with ten branches throughout NYC.

Market: Carver Bank has over \$600 million in assets and over 45,000 retail and commercial accounts and currently employs over 200 people.

ESD Involvement: Carver Bank and MTA approached ESD in an effort to secure ESD’s support for a joint initiative designed to improve small businesses’ access

to loan capital. The MTA, through its Small Business Development Program (“SBDP”), created a Capital Access Program under which the MTA and Carver Bank agreed to work together to provide working capital loans ranging from \$150,000 to \$900,000 to qualified New York State-certified MWBE construction contractors to augment their ability to bid as prime contractors on upcoming MTA projects. Utilizing the Minority- and Women-Owned Business Development and Lending Program (“MWBDLP”), ESD will help facilitate New York State-certified MWBEs small construction firms to play a larger role in MTA contract opportunities. The project will help to provide financing for small MWBE firms who otherwise might be unable to meet the strict credit guidelines of large commercial lenders.

Competition: Commercial and federal credit unions throughout New York City

Past ESD Support: This is the Carver Bank’s first project with ESD.

B. The Project

Completion: December 2014

Activity: The MTA’s SBDP/Capital Access Program has been created for all small businesses in the construction trades - including but not limited to minority, woman and disadvantaged business enterprises - with the stated goal of increasing their contract opportunities and enhancing their technical capabilities/business capacity in order to grow their businesses. Under the program, Carver Bank provides project-based, phased working capital loans. Loans are deployed as gap financing and will be repaid from MTA project proceeds. The MTA, Carver Bank, and ESD will support qualified emerging contractors by providing them the capital access they need to complete projects successfully. Agency use of the MWBDLP within the project will be limited to NYS Certified MWBEs.

The SBDP poses certain challenges associated with the large size and duration of its loans. Notably, 30% of a given project award (or \$900,000) will remain unsecured, while the remaining portion of the loan will be secured solely by business assets. Without ESD assistance defaults would be borne entirely by Carver Bank, which has traditionally shied away from these largely unsecured loans. While contractors will be vetted according to MTA’s new criteria, including bonding, profitable operating history, a good credit score, experience and payments issued into restricted Carver Bank controlled accounts, there remains some level of heightened risk which has limited Carver Bank’s participation in the SBDP. ESD’s provision of a \$480,000 loan loss reserve would help to ease Carver’s exposure to defaults and thereby augment its ability to expand lending to additional

MWBE contractors through the SBPD. The MWBDLP reserve level of \$480,000 has been calculated to roughly equal the average outstanding principle amount of one single contract awarded at the maximum amount of \$900,000. The use of MWBDLP as a loan loss reserve will enhance Carver Bank's ability to make additional loans and strengthen the bank's participation in the program.

Carver Bank searched for a credit structure or instrument to mitigate its credit exposure such that it would be able to continue to provide funding for the SBPD. The agency use of MWBDLP in the proposed manner will ultimately lead to greater participation of NYS Certified MWBEs in upcoming MTA contract opportunities.

Results: Approval of the request will help facilitate NYS qualified MWBE firms' access much needed short term loan capital. ESD involvement along with private Bank capital will give these small MWBE firms an opportunity to bid and win participation on MTA capital improvement projects, which are expected to total \$16 million over the next 18 months.

Grantee Contact: Alfredo Assad, Chief Lending Officer
Carver Bancorp, Inc.
75 West 125th Street
New York, NY 10027
Phone: (212) 360-8882

Beneficiary Contact: Michael J. Garner, MBA, Chief Diversity Officer
Metropolitan Transportation Authority
2 Broadway – 16th Floor
New York, NY 10004
Phone: (646) 252-1385

ESD Project No.: Y515

Project Team:	Origination	Ray Salaberrios
	Project Management	Ray Salaberrios/Marion Samuels
	Legal	Antovk Pidedjian
	Contractor & Supplier Diversity	Vikas Gera
	Finance	Amit Nihalani
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. ESD will provide up to \$480,000 toward loan loss reserve through the utilization of the MWBDLP. This reserve would be tapped based upon principal losses by Carver Bank due to loans made as part of SBPD Capital Access program. Under the parameters of the

program, Carver Bank's total exposure would be no more than \$5 million. In the event of a default, Carver will submit to ESD a reserve funding request, together with supporting documentation of loan loss reserve expenses actually incurred to date.

2. The MTA currently has 8 capital improvement projects planned with a combined estimated value of \$16 million. Selected contractors will be awarded contracts of up to \$3 million, each to be completed within 18 months. The maximum loan size that will be extended by Carver Bank under this program is \$900,000, with each loan being secured by UCCs on business assets. While the SBDP is open to all small businesses, it is expected that the majority of program participants will be women and minority-owned businesses, and ESD's participation would be limited to NYS Certified MWBE firms.
3. The reserve level of \$480,000 has been calculated to roughly equal the average outstanding principle amount of one single contract awarded at the maximum amount. The lack of a loan loss reserve or credit backing for the bank has hampered Carver Bank's ability to initiate its participation in the program.
4. Up to \$480,000 will be disbursed to the Grantee in three installments as follows:
 - a) an Initial Disbursement of an amount equal to 35% of the grant (\$168,000) as an advance, assuming that all project approvals have been completed and funds are available;
 - b) a Second Disbursement of an amount equal to 35% of the grant (\$168,000) will be disbursed upon documentation that the Grantee has reached a loan volume of \$1,400,000, provided Grantee is otherwise in compliance with program requirements;
 - c) a Third Disbursement of an amount equal to 30% of the grant (\$144,000) will be disbursed upon documentation that the Grantee has reached an additional loan volume of \$3,400,000 (cumulatively \$4,800,000), provided Grantee is otherwise in compliance with program requirements.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after July 18, 2013, to be considered eligible project costs.

5. Grantee shall apply the Grant to the loan loss reserve in support of the Small Business Development Program within eighteen months of the date of the second disbursement of the Grant (the "Usage Period"). Any portion of the Grant that has not been applied by the Grantee to the loan loss reserve in support of the Small Business Development Program shall be returned to ESD upon the expiration of the Usage Period.
6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$480,000 for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed

the total amount of assistance approved by the Directors.

IV. Statutory Basis

The New York State Minority and Women-Owned Business Development and Lending Program is authorized pursuant to Section 16-c of the New York State Urban Development Corporation Act (the "Act"). No residential relocation is required as there are no families or individuals residing on the site.

V. Environmental Review

ESD staff has determined that the project constitutes a Type II ministerial action as defined by the New York State Environmental Quality Review Act ("SEQRA") and the implementing regulations of the New York State Department of Environmental Conservation. The loan recipient will be responsible for complying with SEQRA as applicable. No further environmental review is required in connection with this authorization.

VII. Non-Discrimination and Contractor & Supplier Diversity

Pursuant to New York State Executive Law Article 15-A, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority-and women-owned businesses in the performance of ESD projects. For purposes of this project, however, goals will not be established due to the unavailability of certified MWBEs for performance of this Contract.

VIII. ESD Employment Enforcement Policy

ESD's Employment Enforcement Policy will not apply since the project will not directly create or retain jobs.

IX. ESD Financial Assistance Subject to Availability of Funds and Additional Approval

The provision of ESD financial assistance is contingent upon the availability of funds and the approval of the State Division of the Budget.

X. Additional Submissions to Directors

Resolutions
New York State Map

July 18, 2013

New York City (New York City Region – New York County) – Carver Bancorp Working Capital – Minority- and Women-Owned Business Development and Lending Program (Working Capital) – Findings and Determinations Pursuant to Sections 16-c and 10 (g) of the Act; Authorization to Make a Grant and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Carver Bancorp Working Capital – Minority- and Women-Owned Business Development and Lending Program (Working Capital) Project (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Carver Bancorp, Inc. a grant for a total amount not to exceed Four Hundred Eighty Thousand Dollars (\$480,000) from the Minority- and Women-Owned Business Development and Lending Program, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration of the grant; and be it further

RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

RESOLVED, that the President and Chief Executive Officer or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

* * *



FOR CONSIDERATION

July 18, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Chili (Finger Lakes Region – Monroe County) – DichroTec Thin Films Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant)

REQUEST FOR: Findings and Determinations Pursuant to Sections 16-m and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

General Project Plan

I. Project Summary

Grantee: DichroTec Thin Films LLC (“DichroTec” or the “Company”)

ESD* Investment: A grant of up to \$250,000 to be used for a portion of the cost of building renovations and the purchase of machinery and equipment.

* The New York State Urban Development Corporation doing business as Empire State Development (“ESD” or the “Corporation”)

Project Location: 465 Paul Road, Town of Chili, Monroe County

Proposed Project: Purchase the assets of Applied Coatings Group and make plant improvements.

Project Type: Purchase of a company in bank receivership and retain jobs that would have been lost

Regional Council: The Finger Lakes Regional Council has been made aware of this item. The Incentive Offer was accepted in April 2013. The project is consistent with the Regional Plan’s goals to support optics and imaging, a key industry cluster.

Employment:	Initial employment at time of ESD Incentive Offer:	0
	Current employment level:	27*
	Minimum employment on January 1, 2016:	23

* Including employees of the former Applied Coatings Group

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Building Renovations/Upgrades	\$ 45,000
Machinery and Equipment	<u>1,767,603</u>

Total Project Costs	<u>\$1,812,603</u>
---------------------	--------------------

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>	<u>Rate/Term/Lien</u>
ESD – Grant	\$ 250,000	14%	
Syncrolite LLC – Loan	1,371,345	76%	6%/10 yrs/1 st lien on all assets
Company Equity	<u>191,258</u>	<u>10%</u>	
Total Project Financing	<u>\$1,812,603</u>	<u>100%</u>	

III. Project Description

A. Company

Industry: The Company manufactures optical coatings and color filters used in the lighting, energy, automotive and home sectors. Products include ultraviolet and infrared blocking filters; color filters used on glass, polyester and Teflon film; solar simulator filters; solid oxide fuel cell barrier filters; very large format optical mirrors; and decorative metal coatings on plastic.

Company History: The roots of the Company go back 50 years when it was a division of Bausch & Lomb (“B&L”). B&L sold the division to local investors in 1997, and it was renamed Applied Coatings Group (“ACG”). ACG recently searched for a buyer, and in 2013 Syncrolite stepped in and formed DichroTec to make the purchase, which took effect in April 2013. Syncrolite, headquartered in Dallas, TX, is a world leader in theatrical and architectural lighting.

Ownership: The Company is privately held, owned 100% by Syncrolite. Syncrolite is majority owned by Hall Capital Partners, a private equity firm.

Size: All facilities are located in Chili, NY.

Market: The Company serves the entertainment, automotive, and medical industries. Customers include Abisa Industrial Glass (CA); Steris Corporation (AL); Display Optical Technologies (TX); and Strand Selecon Lighting (New Zealand).

ESD Involvement: In 2008, the recession resulted in serious losses for ACG, and soon thereafter the search began to attract buyers/investors who could realize and capitalize on the value of ACG's technology and products. Syncrolite came forward for this purpose and requested ESD's involvement. Without ESD assistance, Syncrolite could not have acquired the assets of ACG and formed DichroTec. The alternative was for the bank to liquidate the assets of ACG and eliminate 28 jobs.

Competition: N/A

Past ESD Support: This is the Company's first project with ESD.

B. The Project

Completion: June 2013

Activity: In April 2013, DichroTec purchased the assets of ACG from ACG's bank in an Article 9 transaction, including machinery and equipment. The Company has added specialized equipment for coatings, made leasehold improvements and IT upgrades, and installed a cleanroom.

Results: The Company currently employs 27 people, exceeding the goal of creating 23 new jobs, including former ACG employees.

Grantee Contact: Andy Pomeroy, President & CEO
465 Paul Road
Rochester, NY 14534
Phone: (585) 247-6000 X610 Fax: (585)247-1219

ESD Project No.: Y376

Project Team:	Origination	Kevin Hurley
	Project Management	Edward Muszynski
	Contractor & Supplier Diversity	Vikas Gera
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the \$250,000 capital grant (\$2,500) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Company will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. Syncrolite LLC will guarantee the grant repayment obligation of its subsidiary, DichroTec Thin Films LLC, in the event of an Employment Shortfall or other default, as defined in these materials or the Grant Disbursement Agreement.
4. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Company's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project
5. Prior to disbursement, the Company must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's payroll, who has worked at the Project Location for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Grantee's payroll, who have worked at the Project Location for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties.
6. Up to \$250,000 will be disbursed to the Grantee in three installments as follows:
 - a) an Initial Disbursement of an amount equal to 50% of the grant (\$125,000) will be disbursed upon documentation of renovation and machinery and equipment project costs totaling \$1,440,000, a Certificate of Occupancy, and documentation of the employment of at least six Full-time Permanent Employees at the Project Location, assuming that all project approvals have been completed and funds are available;
 - b) a Second Disbursement of 25% of an amount equal to the grant (\$62,500) will be disbursed upon documentation of the employment of at least 18 Full-time Permanent Employees at the Project Location, provided Grantee is otherwise in compliance with program requirements;
 - c) a Third Disbursement of an amount equal to 25% of the grant (\$62,500) will be

disbursed upon documentation of the employment of at least 23 Full-time Permanent Employees at the Project Location, provided Grantee is otherwise in compliance with program requirements.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses reimbursed by ESD's grant must be incurred on or after April 3, 2013, to be considered eligible project costs. All disbursements must be requested by April 1, 2015.

7. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$250,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
8. In consideration for the making of the Grant, Grantee will achieve the Employment Goals set forth in Column B of the table below. If the Full-time Permanent Employee Count for the year prior to the reporting date set forth in Column A of the table below is less than eighty-five percent (85%) of the Employment Goal set forth in Column B (an "Employment Shortfall"), then upon demand by ESD, Grantee shall be obligated to repay to ESD a portion of each disbursement of the Grant, as follows:

The Recapture Amount is based on the time that has lapsed between when the Grant funds were disbursed and when the Employment Shortfall occurred. The Recapture Amount shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:

- (i) 100% of the disbursed amount if the Employment Shortfall occurred in the calendar year that the disbursement was made, or in the first full calendar year after the disbursement was made;
- (ii) 80% of the disbursed amount if the Employment Shortfall occurred in the second full calendar year after the disbursement was made;
- (iii) 60% of the disbursed amount if the Employment Shortfall occurred in the third full calendar year after the disbursement was made;
- (iv) 40% of the disbursed amount if the Employment Shortfall occurred in the fourth full calendar year after the disbursement was made;
- (v) 20% of the disbursed amount if the Employment Shortfall occurred in the fifth full calendar year after the disbursement was made.

The Grantee's number of Full-time Permanent Employees shall be deemed to be the greater of the number as of the last payroll date in the month of December for such year or the average employment for the 12 month period computed by quarter.

Baseline Employment	0
---------------------	---

A	B
Reporting Date	Employment Goals
February 1, 2014	X+Y+Z
February 1, 2015	X+Y+Z
February 1, 2016	X+Y+Z
February 1, 2017	X+Y+Z
February 1, 2018	X+Y+Z

X = Grantee's Employment Increment that will be the basis of the First Disbursement of the Grant as described in section C.5 above (i.e. X=6, and Employment Goals shall equal $[0 + X = 6]$ if the First Disbursement is made, in the year such disbursement is made and for each year thereafter). If the First Disbursement has not yet been made then X=0.

Y = Grantee's Employment Increment that will be the basis of the Second Disbursement of the Grant as described in section C.5 above (i.e. Y=12, and Employment Goals shall equal $[0 + X + Y = 18]$ if the Second Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Second Disbursement has not yet been made then Y=0.

Z = Grantee's Employment Increment that will be the basis of the Third Disbursement of the Grant as described in section C.5 above (i.e. Z=5, and Employment Goals shall equal $[0 + X + Y + Z = 23]$ if the Third Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Third Disbursement has not yet been made then Z=0.

IV. Statutory Basis

1. The proposed project would promote the economic health of New York State by facilitating the creation or retention of jobs or would increase activity within a municipality or region of the state or would enhance or help to maintain the economic viability of family farms.

As a result of this project, the Company was formed to purchase the assets of a predecessor company, Applied Coatings Group, which was in bank receivership. Additionally, the Company will add 23 employees, which it has already exceeded by five employees.

2. The proposed project would be unlikely to take place in New York State without the requested assistance.

Without ESD assistance, this project would not have occurred because the bank would likely have liquidated the former company's assets.

3. The project is reasonably likely to accomplish its stated objectives and the likely benefits of the project exceed costs.

Evaluated over a seven-year period, the following are anticipated project impacts (dollar values are present value):

- Fiscal benefits to NYS government from the project are estimated at \$762,807;
- Fiscal cost to NYS government is estimated at \$250,000;
- Project cost to NYS government per direct job is \$16,787;

- Project cost to NYS government per job (direct plus indirect) is estimated at \$7,662;
- Ratio of project fiscal benefits to costs to NYS government is 3.05:1;
- Fiscal benefits to all governments (state and local) are estimated at \$1,281,566;
- Fiscal cost to all governments is \$250,000;
- All government cost per direct job is \$16,787;
- All government cost per total job is \$7,662;
- The fiscal benefit to cost ratio for all governments is 5.13:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$6,144,051, or \$188,293 per job (direct and indirect);
- The economic benefit to cost ratio is 24.58:1;
- Project construction cost is \$45,000, which is expected to generate fewer than one direct job year and one indirect job year of employment;
- For every permanent direct job generated by this project, an additional 1.20 indirect jobs are anticipated in the state's economy;
- The payback period for NYS costs is three years.

(See Project Summary Benefit-Cost Evaluation attached for detail and definitions.)

4. The requirements of Section 10(g) of the Act are satisfied.
 No residential relocation is required because there are no families or individuals residing on the site.

V. Environmental Review

ESD staff has determined that the project constitutes a Type II action as defined by the New York State Environmental Quality Review Act ("SEQRA") and the implementing regulations of the New York State Department of Environmental Conservation. No further environmental review is required in connection with the project.

VI. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to the project. The Grantee shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women Business Enterprise ("MWBEs") for any contractual opportunities generated in connection with the project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 10% related to the total value of ESD's funding.

VII. ESD Financial Assistance Subject to Availability of Funds and Additional Approval

The provision of ESD financial assistance is contingent upon the availability of funds and the approval of the State Division of the Budget.

VIII. Additional Submissions to Directors

Resolutions

New York State Map

Benefit-Cost Analysis

July 18, 2013

Chili (Finger Lakes Region – Monroe County) – DichroTec Thin Films Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) – Findings and Determinations Pursuant to Sections 16-m and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the DichroTec Thin Films Capital -- Empire State Economic Development Fund Capital Grant Project (the "Project"), the Corporation hereby determines pursuant to Sections 16-m and 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that

1. The proposed project would promote the economic health of New York State by facilitating the creation or retention of jobs or would increase activity within a municipality or region of the state or would enhance or help to maintain the economic viability of family farms;
2. The project would be unlikely to take place in New York State without the requested assistance;
3. The project is reasonably likely to accomplish its stated objectives and that the likely benefits of the project exceed costs;
4. There are no families or individuals to be displaced from the project area; and be it further

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project Plan (the "Plan") for the Project submitted to this meeting, together with such changes therein as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, a copy of which Plan, together with such changes, is hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to DichroTec Thin Films LLC a grant for a total amount not to exceed Two Hundred Fifty Dollars (\$250,000) from the Empire State Economic Development Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration of the grant; and be it further

RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

RESOLVED, that the President and Chief Executive Officer or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

* * *

Project Summary Benefit-Cost Evaluation¹

DichroTec Thin Films LLC – Business Investment

Benefit-Costs Evaluations are used in evaluating projects that are categorized as Business Investment, Infrastructure Investment, and Economic Growth Investment and that involve 1) job retention and/or creation and/or 2) construction-related activity. For Business Investment projects, benefits reported in the table below typically reflect the impact of both jobs and construction-related activity. For Infrastructure Investment and Economic Growth Investment projects, which generate long-term benefits not captured in the period of analysis and may involve no permanent job commitments, the table typically reflects only construction-related activity. Benchmarks for each type of project are noted in the footnotes.

Initial Jobs:	0	Construction Job Years (Direct):	Less than one
New Jobs:	23 over three years	Construction Job Years (Indirect):	Less than one

Evaluation Statistics	Project Results NYS Gov't.	NYS Gov't. Benchmarks ²	Project Results State & Local Government	State & Local Government Benchmarks
Fiscal Costs³	\$250,000	\$794,250	\$250,000	\$1,020,500
Fiscal Benefits⁴	\$762,807	\$2,085,600	\$1,281,566	\$4,271,980
Fiscal Cost /Direct Job	\$16,787	\$3,000	\$16,787	\$4,110
Fiscal Cost/Total Jobs	\$7,662	\$1,424	\$7,662	\$1,964
Fiscal B/C Ratio	3.05	7.00	5.13	10.60
	Project Results	Benchmarks		
Economic Benefits⁵	\$6,144,051	\$119,468,000		
Econ. Benefits/Total Jobs	\$188,293	\$147,600		
Economic B/C Ratio	24.58	50.00		

¹ Dollar values are present value calculated over a 7-year period. Separate evaluations are made and reported for New York State government assistance alone and for State and Local government.

² The current project evaluation results (both fiscal and economic) are compared to performance measure benchmarks based on results of a sample of ESD non-retail projects. Business Investment project benchmarks are 7.00 (Fiscal) and 50.00 (Economic). Infrastructure Investment (or Economic Growth Investment) project benchmarks are 3.00 (Fiscal) and 20.00 (Economic).

³ Fiscal cost includes the value of grants, loans and associated default risks, and discretionary subsidies (such as tax exemptions or abatements on sales, property, and interest income).

⁴ Fiscal benefits are the loan repayments and tax revenues to New York State and Local governments generated by project activity. This includes estimated taxes on personal incomes from project direct and indirect employment, corporate and business incomes, excise and user taxes, property taxes, and other taxes.

⁵ Economic benefits are estimated project benefits measuring fiscal flows to government plus net resident disposable income from project direct and indirect employment net of transfers, without adjusting for individual income earners' opportunity cost of employment.



FOR CONSIDERATION

July 18, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Frankfort (Mohawk Valley Region – Herkimer County) – Northern Safety Capital – Economic Development Purposes Fund (Capital Grant)

REQUEST FOR: Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions.

General Project Plan

I. Project Summary

Grantee: Northern Safety, Inc. (“Northern Safety” or the “Company”)

ESD* Investment: A grant of up to \$200,000 to be used for a portion of the cost of renovations.

* The New York State Urban Development Corporation doing business as Empire State Development (“ESD” or the “Corporation”)

Project Locations: 126 Industrial Park Drive, Frankfort, Herkimer County**
232 Industrial Park Drive, Frankfort, Herkimer County

** Project activity site; other is job-retention site.

Proposed Project: Facility renovation and expansion and acquisition of machinery and equipment

Project Type: Business expansion involving job retention and creation

Regional Council: The Mohawk Valley Regional Council has been made aware of this project. The Incentive Offer was accepted in April 2013. The project is consistent with the Regional Plan to attract advanced manufacturing jobs and a supplier network in the Mohawk Valley region.

Employment: Initial employment at time of Incentive Offer: 209
 Current employment level: 209
 Minimum employment on January 1, 2016: 259

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Renovation	\$600,000
Machinery and Equipment	320,000
Furniture, Fixtures and Equipment	100,000
Other Project Costs (technology)	<u>150,000</u>
Total Project Costs	<u>\$1,170,000</u>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD – Grant	\$200,000	17%
HUD CDBG	250,000	21%
Company Equity	<u>720,000</u>	<u>62%</u>
Total Project Financing	<u>\$1,170,000</u>	<u>100%</u>

III. Project Description

A. Company

Industry: Manufacturer and wholesaler of workplace safety and industrial personal protective equipment.

Company History: Northern Safety was founded in 1983 as a home-based business delivering medical and first-aid supplies to local companies in Frankfort, NY. In 1985, operating out of a small office and warehouse in Utica, the Company became a direct mail business, increasing sales three-fold from the previous year. The Company moved into a larger facility in 1988 and built its current headquarters in 1999, a building that has since doubled in size to 141,000 square feet. In 2002, the Company integrated the manufacturing of approximately 1,000 products in to the existing delivery business.

Ownership: Northern Safety is a privately held company.

Size: In addition to its facilities in New York State, Northern Safety has 13 additional locations in Tennessee, Texas, Oklahoma, South Carolina, and Louisiana. The Company has 422 full-time permanent employees nationwide.

Market: Northern Safety's principal customers consist of leading businesses in the manufacturing, construction, mining, chemical, and oil and gas industries. Customers include industry leaders such as Kinder Morgan, Direct Energy, Cabot, and DuPont.

Northern Safety's primary competitors include Grainger, Airgas, Fastenal, and MSC.

ESD Involvement: Northern Safety planned to grow its multi state operations by adding customization of a variety of products, including embroidery and printing. The Company evaluated several of its out-of-state locations, while also considering its New York State headquarters. To encourage the Company to keep its headquarters and grow its manufacturing operations in New York, ESD made an offer of \$200,000 capital grant, which was accepted May 12, 2013. Additionally, Northern Safety has been accepted into the Excelsior Jobs Program for up to \$200,000 in tax credits over a 10-year period beginning in 2015.

Competition: Louisiana, Arizona, Nevada.

Past ESD Support: Northern Safety has been Empire Zone certified since September 27, 1995, and has used \$1,902,392 in benefits since 2001.

Since 1998, the Company has received grants totaling \$375,000 for two projects. Both projects were successfully completed and funds were fully disbursed.

B. The Project

Completion: July 2013

Activity: The project includes investment in customization, embroidery and imprinting equipment as well as upgrades to an existing building, software and hardware. Total project costs are \$1.17 million.

Results: As a result of the project, the Company will expand its manufacturing operations, making Northern Safety one of the largest manufacturers in

the region. The Company will retain 209 existing jobs and create 50 new jobs, the majority of which will be in manufacturing.

Business Investment

Project:

Benefit-Costs Evaluations are used in evaluating projects that are categorized as Business Investment, Infrastructure Investment, and Economic Growth Investment and that involve 1) job retention and/or creation and/or 2) construction-related activity. For Business Investment projects, benefits typically reflect the impact of both jobs and construction-related activity. For Infrastructure Investment and Economic Growth Investment projects, which generate long-term benefits not captured in the period of analysis and may involve no permanent job commitments, the estimated benefits typically reflect only construction-related activity.

Evaluated over a seven-year period, the following are anticipated project impacts (dollar values are present value):

- Fiscal benefits to NYS government from the project are estimated at \$2,640,753;
- Fiscal cost to NYS government is estimated at \$331,154;
- Project cost to NYS government per direct job is \$6,624;
- Project cost to NYS government per job (direct plus indirect) is estimated at \$4,234;
- Ratio of project fiscal benefits to costs to NYS government is 7.97:1;
- Fiscal benefits to all governments (state and local) are estimated at \$4,375,589;
- Fiscal cost to all governments is \$331,154;
- All government cost per direct job is \$6,624;
- All government cost per total job is \$4,234;
- The fiscal benefit to cost ratio for all governments is 13.21:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$22,644,215, or \$289,497 per job (direct and indirect);
- The economic benefit to cost ratio is 68.38:1;
- Project construction cost is \$600,000, which is expected to generate seven direct job years and three indirect job years of employment;
- For every permanent direct job generated by this project, an additional 0.57 indirect job is anticipated in the state's economy;
- The payback period for NYS costs is two years.

(See Project Summary Benefit-Cost Evaluation attached for detail and definitions.)

Grantee Contact: Neil Sexton, President and Chief Operating Officer
232 Industrial Park Drive
Frankfort, NY 13340
Phone: (315) 793-4910

ESD Project No.: Y446

Project Team:	Origination	Jane Thelen
	Project Management	Glenda Wenerski
	Contractor & Supplier Diversity	Denise Ross
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the \$200,000 capital grant (\$2,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Company will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Company's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Prior to disbursement, the Company must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's payroll, who has worked at the Project Location for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Grantee's payroll, who have worked at the Project Location for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties.
5. Up to \$200,000 will be disbursed to the Grantee in three installments as follows:
 - a) an Initial Disbursement of an amount equal to 50% of the grant (\$100,000) upon completion of the project substantially as described in these materials,

- documentation verifying renovation project costs totaling \$600,000, a Certificate of Occupancy or other documentation verifying project completion as ESD may require, documentation of the employment of at least 209 Full-time Permanent Employees at the Project Location, and total project expenditures of \$1,170,000, assuming that all project approvals have been completed and funds are available;
- b) a Second Disbursement of 25% of an amount equal to the grant (\$50,000) will be disbursed, upon documentation of the employment of at least 234 Full-time Permanent Employees at the Project Location (employment increment of 25), provided Grantee is otherwise in compliance with program requirements;
 - c) a Third Disbursement of an amount equal to 25% of the grant (\$50,000) will be disbursed, upon documentation of the employment of at least 259 Full-time Permanent Employees at the Project Location (employment increment of 25), provided Grantee is otherwise in compliance with program requirements.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses reimbursed by ESD's grant must be incurred on or after April 30, 2013, to be considered eligible project costs. All disbursements must be requested by April 1, 2016.

- 6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$200,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
- 7. In consideration for the making of the Grant, Grantee will achieve the Employment Goals set forth in Column B of the table below. If the Full-time Permanent Employee Count for the year prior to the reporting date set forth in Column A of the table below is less than eighty-five percent (85%) of the Employment Goal set forth in Column B (an "Employment Shortfall"), then upon demand by ESD, Grantee shall be obligated to repay to ESD a portion of each disbursement of the Grant, as follows:

The Recapture Amount is based on the time that has lapsed between when the Grant funds were disbursed and when the Employment Shortfall occurred. The Recapture Amount shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:

- (i) 100% of the disbursed amount if the Employment Shortfall occurred in the calendar year that the disbursement was made, or in the first full calendar year after the disbursement was made;
- (ii) 80% of the disbursed amount if the Employment Shortfall occurred in the second full calendar year after the disbursement was made;
- (iii) 60% of the disbursed amount if the Employment Shortfall occurred in the third full calendar year after the disbursement was made;

- (iv) 40% of the disbursed amount if the Employment Shortfall occurred in the fourth full calendar year after the disbursement was made;
- (v) 20% of the disbursed amount if the Employment Shortfall occurred in the fifth full calendar year after the disbursement was made.

The Grantee's number of Full-time Permanent Employees shall be deemed to be the greater of the number as of the last payroll date in the month of December for such year or the average employment for the 12 month period computed by quarter.

Baseline Employment	209
---------------------	-----

A	B
Reporting Date	Employment Goals
February 1, 2014	209+X+Y
February 1, 2015	209+X+Y
February 1, 2016	209+X+Y
February 1, 2017	209+X+Y
February 1, 2018	209+X+Y

X = Grantee's Employment Increment that will be the basis of the Second Disbursement of the Grant as described in section C.5 above (i.e. X=25, and Employment Goals shall equal [209 + X = 234] if the Second Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Second Disbursement has not yet been made then X=0.

Y = Grantee's Employment Increment that will be the basis of the Third Disbursement of the Grant as described in section C.5 above (i.e. Y=25, and Employment Goals shall equal [209 + X + Y = 259] if the Third Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Third Disbursement has not yet been made then Y=0.

IV. Statutory Basis – Economic Development Purposes Fund

The project was authorized in the 2012-2013 New York State budget and reappropriated in the 2013-14 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

V. Environmental Review

ESD staff has determined that the project constitutes a Type II action as defined by the New York State Environmental Quality Review Act ("SEQRA") and the implementing regulations of the New York State Department of Environmental Conservation. No further environmental review is required in connection with the project.

VI. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-discrimination and Contractor Diversity policy will apply to the Project. The Recipient shall be required to use good faith efforts to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation Goal of 20%. The overall goal shall include a Minority Business Enterprise ("MBE") Participation goal of 10% and a Women Business Enterprise ("WBE") Participation goal of 10% related to the total value of ESD's funding and to

solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project.

VII. ESD Financial Assistance Subject to Availability of Funds and Additional Approval

The provision of ESD financial assistance is contingent upon the availability of funds and the approval of the State Division of the Budget.

VIII. Additional Submissions to Directors

Resolutions
New York State Map
Benefit-Cost Analysis

July 18, 2013

Frankfort (Mohawk Valley Region – Herkimer County) – Northern Safety Capital – Economic Development Purposes Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Northern Safety Capital - Economic Development Purposes Fund (Capital Grant) Project (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project Plan (the “Plan”) for the Project submitted to this meeting, together with such changes therein as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, a copy of which Plan, together with such changes, is hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Northern Safety, Inc. a grant for a total amount not to exceed Two Hundred Thousand Dollars (\$200,000) from the Economic Development Purposes Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration of the grant; and be it further

RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

RESOLVED, that the President and Chief Executive Officer or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

* * *



FOR CONSIDERATION

July 18, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Calverton (Long Island Region – Suffolk County) – Calverton Enterprise Park DRF Capital – Downstate Revitalization Fund – Infrastructure Investment (Capital Grant)

REQUEST FOR: Findings and Determinations Pursuant to Sections 16-r and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions; Determination of No Significant Effect on the Environment

General Project Plan

I. Project Summary

Grantee: Town of Riverhead Community Development Agency
("CDA" or the "Organization")

ESD* Investment: A grant of up to \$650,000 to be used for a portion of the cost to rehabilitate a rail spur at the Calverton Enterprise Park.

* The New York State Urban Development Corporation doing business as Empire State Development ("ESD" or the "Corporation")

Project Location: Calverton Enterprise Park, Calverton, Suffolk County

Proposed Project: Rehabilitation of the Calverton rail spur to provide a modern truck-rail intermodal freight terminal for eastern Long Island.

Project Type: Rail track infrastructure rehabilitation for business expansion.

Regional Council: The Long Island Regional Council has been made aware of this item. The Incentive Offer was accepted in December 2009, predating the Regional Council Initiative. The project is consistent with the Long Island Regional Council to improve physical infrastructure of the transportation system and to increase access for freight related transport between shipping and receiving points.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Planning and Design	\$343,000	
Construction/Rehabilitation	<u>5,350,000</u>	
 Total Project Costs	 <u>\$5,693,000</u>	
 <u>Financing Sources</u>	 <u>Amount</u>	 <u>Percent</u>
ESD – Grant	\$650,000	11%
NYSDOT – Grant*	4,800,000	85%
NYSERDA – Grant	75,000	1%
Town of Riverhead Equity**	<u>168,000</u>	<u>3%</u>
 Total Project Financing	 <u>\$5,693,000</u>	 <u>100%</u>

* The NYSDOT grant is funded through the American Recovery and Reinvestment Act. Federal funding will be considered as part of the Town of Riverhead’s equity for this project.

** Sources of equity include tenant contributions and federal funding via NYSDOT.

III. Project Description

A. Organization

Industry: The CDA pursues and manages grant funding for private development in the Town of Riverhead.

Organization History: The Town of Riverhead is located 70 miles from New York City in Suffolk County and lies between the Towns of Brookhaven and Southold. The Town Board is the policy making body for the Town of Riverhead and consists of four members including the Town Supervisor. The Community Development Agency is responsible for the administration of grant funded projects including the Calverton Rail Rehabilitation project. The CDA director reports to the Town Board and, administratively, to the Town Supervisor.

Ownership: N/A

Size: N/A

ESD Involvement: The federal government transferred the Enterprise Park at Calverton (“EPCAL”) freight rail site to the Town of Riverhead in 1998 to replace the economic activity lost at the Naval Weapons Industrial Reserve Plant. Suffolk County is a growing area for companies that use or distribute heavy or bulky products; these companies need space and are looking further east on Long Island to find suitable location. At the same time, these companies need lower transportation costs to compete effectively with similar companies located in other parts of the metropolitan area. In 2009, the Organization approached ESD for financial assistance to complete the rehabilitation of EPCAL rail spur to facilitate the transport of products. In June 2009, the Organization applied for assistance through the Downstate Revitalization Fund Request for Proposals to help it fill a significant funding gap for the project. ESD made an offer of financial assistance, which the Town accepted in December 2009.

Competition: N/A

Past ESD Support: Since 1997, ESD has awarded the Town of Riverhead 5 grants totaling \$2,825,000. All of the projects are complete and the grants have been fully disbursed

In the past 5 years, funding to the Organization is summarized as follows:

Program	Project #	Amount	Date Start (ESD Directors' Approval date)	Date End (Project Completion: Contract Expiration)	Purpose
Aid to Localities	J554	\$50,000	December 2008	September 2009	Working Capital
Urban and Community Development Program	Q469	\$25,000	July 2010	April 2011	Capital Grant
Restore NY Communities	W857	\$2,400,000	July 2010	March 2012	Capital Grant

B. The Project

Completion: April 2013

Activity: The Organization has completed a \$5.5 million rehabilitation of a 2.3 mile spur on the existing rail network at EPCAL. In addition to ESD’s grant, a significant portion of the project is funded by a NYSDOT grant through the American Recovery and Reinvestment Act.

Today, EPCAL is home to many businesses that support the east end of Long Island. Companies at the site and in the eastern Long Island area use extensive trucking to receive and ship materials as well as finished products. Suffolk County is a growing area for companies that use or distribute heavy or bulky products; these companies need space and are looking further east on Long Island to find suitable location. This project will help these companies lower transportation costs in order to compete effectively with similar companies located in other parts of the area.

Results: The project provides much needed freight rail access and cost effective freight transportation options to companies located at EPCAL and those nearby reducing transportation cost and attracting private investment.

Infrastructure

Investment Project: Benefit-Costs Evaluations are used in evaluating projects that are categorized as Business Investment, Infrastructure Investment, and Economic Growth Investment and that involve 1) job retention and/or creation and/or 2) construction-related activity. For Business Investment projects, benefits typically reflect the impact of both jobs and construction-related activity. For Infrastructure Investment and Economic Growth Investment projects, which generate long-term benefits not captured in the period of analysis and may involve no permanent job commitments, the estimated benefits typically reflect only construction-related activity.

Evaluated over a seven-year period, the following are anticipated project impacts (dollar values are present value):

- Fiscal benefits to NYS government from the project are estimated at \$349,628;
- Fiscal cost to NYS government is estimated at \$792,227;
- Ratio of project fiscal benefits to costs to NYS government is 0.44:1;
- Fiscal benefits to all governments (state and local) are estimated at \$632,802;
- Fiscal cost to all governments is \$814,082;
- The fiscal benefit to cost ratio for all governments is 0.78:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$3,381,390;
- The economic benefit to cost ratio is 4.15:1;
- Project construction cost is \$5,543,000, which is expected to generate 42 direct job years and 26 indirect job years of employment;
- For every construction-related direct job generated by this project, an additional 0.65 indirect job is anticipated in the state's economy;
- The payback period for NYS costs is two years.

(See Project Summary Benefit-Cost Evaluation attached for detail and definitions.)

Grantee Chris Kempner, Director
Town of Riverhead Community Development Agency
200 Howell Avenue
Riverhead, NY 11901
Phone: (631) 727-3200 Ext. 287

ESD Project No.: W920

Project Team:	Origination	Aida Reyes-Kuehn
	Project Management	Javier Roman-Morales
	Contractor & Supplier Diversity	Vikas Gera
	Finance	Amit Nihalani
	Design & Construction	Joseph Burkard
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Organization shall pay a commitment fee of 1% of the \$650,000 capital grant (\$6,500) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Organization will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. The Organization will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after ESD's announcement of the project. Equity is defined as cash injected into the project by the Organization or by investors, and should be auditable through the Organization's financial statements or the Organization's accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
3. Up to \$650,000 will be disbursed to Grantee upon completion of the project substantially as described in these materials, as evidenced by a certificate of occupancy, and project costs totaling \$5,543,000, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after December 15, 2009, to be considered eligible project costs. All disbursements must be requested by April 1, 2014.
4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$650,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Organization and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed

the total amount of assistance approved by the Directors.

5. Grant funds will be subject to pro rata recapture if the property at the Project Location is sold within five years of disbursement of funds. The Recapture Amount is based on the time that has lapsed between when the Grant funds were disbursed and when the transfer occurred. The Recapture Amount shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:
- (i) 100% of the disbursed amount if the transfer occurred in the calendar year that the disbursement was made, or in the first full calendar year after the disbursement was made;
 - (ii) 80% of the disbursed amount if the transfer occurred in the second full calendar year after the disbursement was made;
 - (iii) 60% of the disbursed amount if the transfer occurred in the third full calendar year after the disbursement was made;
 - (iv) 40% of the disbursed amount if the transfer occurred in the fourth full calendar year after the disbursement was made;
 - (v) 20% of the disbursed amount if the transfer occurred in the fifth full calendar year after the disbursement was made.

IV. Statutory Basis – Downstate Revitalization Fund

This project is authorized under Section 16-r of the New York State Urban Development Corporation Act (the “Act”) and satisfies the eligibility criteria in the Act and the rules and regulations for the Downstate Revitalization Fund Program. No residential relocation is required as there are no families or individuals residing on the site.

V. Design and Construction

D&C staff will review the project budget, plans, specifications, surveys, testing reports, and other documentation that D&C deems necessary to verify the adequacy of the work scope. D&C will visit the Calverton Enterprise site in the Town of Riverhead to view the rehabilitated freight rail spur. There will be a single payment after project completion which will be reviewed and recommended for payment only upon receipt of documentation substantiating that D&C requirements have been satisfied.

VI. Environmental Review

ESD staff has determined that the project constitutes a Type II action as defined by the New York State Environmental Quality Review Act (“SEQRA”) and the implementing regulations of the New York State Department of Environmental Conservation. No further environmental review is required in connection with the project.

VII. Non-Discrimination and Contractor & Supplier Diversity

Pursuant to New York State Executive Law Article 15-A, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority-and women-owned businesses in the performance of ESD projects. For purposes of this project, however, project performance has already been completed, and therefore, MWBE participation goals cannot be established.

VIII. ESD Employment Enforcement Policy

ESD's Employment Enforcement Policy will not apply since the project will not directly create or retain jobs.

IX. ESD Financial Assistance Subject to Availability of Funds and Additional Approval

The provision of ESD financial assistance is contingent upon the availability of funds and the approval of the State Division of the Budget.

X. Additional Submissions to Directors

Resolutions
New York State Map
Project Finance Memorandum
Benefit-Cost Analysis

July 18, 2013

Calverton (Long Island Region – Suffolk County) – Calverton Enterprise Park DRF Capital – Downstate Revitalization Fund – Infrastructure Investment (Capital Grant) – Findings and Determinations Pursuant to Sections 16-r and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Calverton Enterprise Park DRF Capital - Downstate Revitalization Fund – Infrastructure Investment (Capital Grant) Project (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project Plan (the “Plan”) for the Project submitted to this meeting, together with such changes therein as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, a copy of which Plan, together with such changes, is hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Town of Riverhead Community Development Agency a grant for a total amount not to exceed Six Hundred and Fifty Thousand Dollars (\$650,000) from the Downstate Revitalization Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration of the grant; and be it further

RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

RESOLVED, that the President and Chief Executive Officer or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

* * *



FOR CONSIDERATION

July 18, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Albany (Capital Region – Albany County) – TVC Albany Capital – Economic Development Purposes Fund (Capital Grant)

REQUEST FOR: Findings and Determinations Pursuant to Sections 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

General Project Plan

I. Project Summary

Grantee: TVC Albany, Inc. d/b/a Tech Valley Communications (“TVC” or the “Company”)

ESD* Investment: A grant of up to \$250,000 to be used for a portion of the cost of purchasing new machinery and equipment.

* The New York State Urban Development Corporation doing business as Empire State Development (“ESD” or the “Corporation”)

Project Location: 41 State Street, Albany, Albany County

Proposed Project: Relocate the Company's headquarters and purchase new machinery and equipment.

Project Type: Business expansion involving job retention and creation.

Regional Council: The Capital Regional Council has been made aware of this item. The Incentive Proposal was accepted by the Company in May 2012. The project is consistent with the Capital Regional Plan to identify priority strategies, including investments that reinforce and enhance existing infrastructure, investing in city centers, and creating efficiencies in services and activities.

Employment: Initial employment at time of ESD Incentive Offer: 69
Current employment level: 89
Minimum employment through January 1, 2019: 132

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Construction/Renovation	\$118,765
Network Upgrade	298,892
Machinery and Equipment	397,706
Furniture, Fixtures, and Equipment	<u>253,474</u>
Total Project Costs	<u>\$1,068,837</u>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD – Grant	\$250,000	23%
Albany County IDA	100,000	10%
Company Equity	<u>718,837</u>	<u>67%</u>
Total Project Financing	<u>\$1,068,837</u>	<u>100%</u>

III. Project Description

A. Company

Industry: Telephone and internet communications services

Company History: TVC Albany, Inc., d/b/a Tech Valley Communications was founded in Albany in 1999. The Company expanded its local presence with the acquisition of GFC Communications and subsequently merged with Mid-Hudson Communications in August 2002. In September 2011, TVC acquired Lebanon, New Hampshire-based segTEL, and in June 2013 the Company acquired the assets of Williston, Vermont based Teljet Longhaul LLC.

Ownership: TVC Albany, Inc. is wholly owned subsidiary of Tech Valley Holdings, LLC.

Size: TVC Albany, Inc.'s headquarters and back office operations are located in Albany, NY.

Market: TVC is a leading provider of high speed internet services and technical support for the provision of high capacity, low latency voice and data services to businesses throughout the Northeastern United States. The Company has invested substantially to build a state-of-the-art fiber optic communications network which now accounts for over 190,000 fiber stand miles throughout Upstate New York, Vermont, New Hampshire, and Maine. The Company serves many of the region's leading companies with its FirstLight® fiber-to-the premise service. Major competitors are: Time Warner Telecom, Time Warner Cable, Paetec, Windstream, CornerStone Telephone, and Fibertech. TVC's major customers include: Verizon, Sprint, First Niagara and Albany Medical Center.

ESD Involvement: Having acquired the New Hampshire-based company, segTEL, TVC was actively pursued by the State of New Hampshire to relocate its international headquarters from Albany, New York to New Hampshire. To offset the cost of consolidating its headquarters and back office operations in New York versus New Hampshire, TVC sought financial support from ESD. ESD made the Company a \$250,000 offer of financial assistance, which the Company accepted in May 2012. ESD's funding secured the Company's business relocation in New York State.

Competition: The Company considered relocating to New Hampshire.

Past ESD Support: This is the Company's first project with ESD.

B. The Project

Completion: April 2013

Activity: Upon acquiring the New Hampshire-based company, segTEL, TVC needed to consolidate its headquarters and back offices into a single larger facility to create an efficient consolidated operation. To accomplish this, the Company has moved to a 15,800-square-foot building located in downtown Albany. The project began in April 2012 and TVC has completed the renovation of the 10 floor office building, purchased new machinery and equipment including furniture and fit-up equipment.

Results: The Company will retain 69 existing jobs and create 63 new jobs.

Business Investment

Project: Evaluated over a seven-year period, the following are anticipated project impacts (dollar values are present value):

- Fiscal benefits to NYS government from the project are estimated at \$5,798,169;
- Fiscal cost to NYS government is estimated at \$250,000;
- Project cost to NYS government per direct job is \$3,399;
- Project cost to NYS government per job (direct plus indirect) is estimated at \$1,325;
- Ratio of project fiscal benefits to costs to NYS government is 23.19:1;
- Fiscal benefits to all governments (state and local) are estimated at \$9,573,725;
- Fiscal cost to all governments is \$250,000;
- All government cost per direct job is \$3,399;
- All government cost per total job is \$1,325;
- The fiscal benefit to cost ratio for all governments is 38.29:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$55,260,130, or \$292,851 per job (direct and indirect);
- The economic benefit to cost ratio is 221.04:1;
- Project construction cost is \$304,400, which is expected to generate three direct job years and one indirect job year of employment;
- For every permanent direct job generated by this project, an additional 1.59 indirect jobs are anticipated in the state’s economy;
- The payback period for NYS costs is one year.

(See Project Summary Benefit-Cost Evaluation attached for detail and definitions.)

Grantee Contact: Kevin O'Connnor, CEO
 41 State Street
 Albany, NY 12207
 Phone: (518) 598-0900

ESD Project No.: X833

Project Team:	Origination	Arnold Will
	Project Management	Javier Roman-Morales
	Contractor & Supplier Diversity	Diane Kinnicutt
	Finance	Amit Nihalani
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the \$250,000 capital grant (\$2,500) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.

2. The Company will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. Tech Valley Holdings, LLC, will guarantee the grant repayment obligation of TVC Albany, Inc., in the event of an employment shortfall of other default, as defined in these materials or the Grant Disbursement Agreement.
4. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Company's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
5. Prior to disbursement, the Company must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's payroll, who has worked at the Project Location for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Grantee's payroll, who have worked at the Project Location for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties.
6. Up to \$25,000 will be disbursed to the Grantee in three installments as follows:
 - a) an Initial Disbursement of an amount equal to 50% of the grant (\$125,000) upon documentation verifying purchase and installation of approximately \$380,000 in machinery and equipment, a Certificate of Occupancy, and project costs totaling \$918,400, and documentation of the employment of at least 89 Full-time Permanent Employees at the Project Location (Employment Increment of 20), assuming that all project approvals have been completed and funds are available;
 - b) a Second Disbursement of an amount equal to 25% of the grant (\$62,500) will be disbursed upon documentation of the employment of at least 120 Full-time Permanent Employees at the Project Location (Employment Increment of 31), provided Grantee is otherwise in compliance with program requirements;
 - c) a Third Disbursement of an amount equal to 25% of the grant (\$62,500) will be disbursed upon documentation of the employment of at least 132 Full-time Permanent Employees at the Project Location (Employment Increment of 12), provided Grantee is otherwise in compliance with program requirements.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses reimbursed by ESD's grant

must be incurred on or after May 17, 2012, to be considered eligible project costs. All disbursements must be requested by April 1, 2017.

7. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$250,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
8. In consideration for the making of the Grant, Grantee will achieve the Employment Goals set forth in Column B of the table below. If the Full-time Permanent Employee Count for the year prior to the reporting date set forth in Column A of the table below is less than eighty-five percent (85%) of the Employment Goal set forth in Column B (an "Employment Shortfall"), then upon demand by ESD, Grantee shall be obligated to repay to ESD a portion of each disbursement of the Grant, as follows:

The Recapture Amount is based on the time that has lapsed between when the Grant funds were disbursed and when the Employment Shortfall occurred. The Recapture Amount shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:

- (i) 100% of the disbursed amount if the Employment Shortfall occurred in the calendar year that the disbursement was made, or in the first full calendar year after the disbursement was made;
- (ii) 80% of the disbursed amount if the Employment Shortfall occurred in the second full calendar year after the disbursement was made;
- (iii) 60% of the disbursed amount if the Employment Shortfall occurred in the third full calendar year after the disbursement was made;
- (iv) 40% of the disbursed amount if the Employment Shortfall occurred in the fourth full calendar year after the disbursement was made;
- (v) 20% of the disbursed amount if the Employment Shortfall occurred in the fifth full calendar year after the disbursement was made.

The Grantee's number of Full-time Permanent Employees shall be deemed to be the greater of the number as of the last payroll date in the month of December for such year or the average employment for the 12 month period computed by quarter.

Baseline Employment	69
A	B
Reporting Date	Employment Goals
February 1, 2014	69+X+Y+Z
February 1, 2015	69+X+Y+Z
February 1, 2016	69+X+Y+Z
February 1, 2017	69+X+Y+Z
February 1, 2018	69+X+Y+Z
February 1, 2019	69+X+Y+Z

X = Grantee's Employment Increment that will be the basis of the First Disbursement of the Grant as described in section C.5 above (i.e. X=20, and Employment Goals shall equal $[69 + X = 89]$ if the First Disbursement is made, in the year such disbursement is made and for each year thereafter). If the First Disbursement has not yet been made then X=0.

Y = Grantee's Employment Increment that will be the basis of the Second Disbursement of the Grant as described in section C.5 above (i.e. Y=31, and Employment Goals shall equal $[69 + X + Y = 120]$ if the Second Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Second Disbursement has not yet been made then Y=0.

Z = Grantee's Employment Increment that will be the basis of the Third Disbursement of the Grant as described in section C.5 above (i.e. Z=12, and Employment Goals shall equal $[69 + X + Y + Z = 132]$ if the Third Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Third Disbursement has not yet been made then Z=0.

IV. Statutory Basis – Economic Development Purposes Fund

The project was authorized in the 2012-2013 New York State budget and reappropriated in the 2013-2014 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

VI. Environmental Review

ESD staff has determined that the project constitutes a Type II action as defined by the New York State Environmental Quality Review Act ("SEQRA") and the implementing regulations of the New York State Department of Environmental Conservation. No further environmental review is required in connection with the project.

VII. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-discrimination and Contractor Diversity policy will apply to the Project. The Company shall be required to use "good faith efforts" to achieve an overall Minority and Women Business Enterprise ("MWBE") participation goal of 23% related to the total value of ESD's funding. This shall include a Minority Business Enterprise ("MBE") participation goal of

13% and a Women Business Enterprise (“WBE”) participation goal of 10%, and to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project.

VIII. ESD Financial Assistance Subject to Availability of Funds and Additional Approval

The provision of ESD financial assistance is contingent upon the availability of funds and the approval of the State Division of the Budget.

IX. Additional Submissions to Directors

Resolutions

New York State Map

Project Finance Memorandum

Benefit-Cost Analysis

July 18, 2013

Albany (Capital Region – Albany County) – TVC Albany Capital – Economic Development Purpose Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the TVC Albany Capital - Economic Development Purpose Fund (Capital Grant) Project (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project Plan (the “Plan”) for the Project submitted to this meeting, together with such changes therein as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, a copy of which Plan, together with such changes, is hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to TVC Albany, Inc. a grant for a total amount not to exceed Two Hundred Fifty Thousand Dollars (\$250,000) from the Economic Development Purpose Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration of the grant; and be it further

RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

RESOLVED, that the President and Chief Executive Officer or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

* * *

FOR CONSIDERATION

July 18, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Endicott (Southern Tier Region – Broome County) – National Pipe & Plastic Capital – Economic Development Purposes Fund (Capital Grant)

REQUEST FOR: Findings and Determinations Pursuant to Section 10 (g) of the Act;
Authorization to Adopt the Proposed General Project Plan;
Authorization to Make a Grant and to Take Related Actions;
Determination of No Significant Effect on the Environment

General Project Plan

I. Project Summary

Grantee: National Pipe & Plastic (“National Pipe” or the “Company”)

ESD* Investment: A grant of up to \$400,000 to be used for a portion of the cost of the purchase of machinery and equipment.

* The New York State Urban Development Corporation doing business as Empire State Development (“ESD” or the “Corporation”)

Project Location: 15 Mills Avenue, Endicott, Broome County

Proposed Project: Relocate an existing manufacturing facility from Vestal to Endicott, purchase and install new machinery and equipment to produce plastic pipe, and renovate with infrastructure improvements in order to continue the Company’s operations in NYS.

Project Type: Business relocation with job retention

Regional Council: The Southern Tier Regional Council has been made aware of this item. The Incentive Offer was accepted in January 2013. The project is consistent with the Regional Plan by supporting existing manufacturing businesses and retaining jobs.

633 Third Avenue | New York, NY 10017 | (212) 803-3100

www.esd.ny.gov

Employment: Initial employment at time of ESD Incentive Offer: 150

Current employment level:	178
Minimum employment through January 1, 2018:	150

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Construction/Renovation	\$500,000
Infrastructure/Site Work	2,000,000
Machinery & Equipment Acquisition	10,000,000
Leasehold Improvements	<u>2,500,000</u>
 Total Project Costs	 <u>\$15,000,000</u>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>	<u>Rate/Term/Lien</u>
ESD – Grant	\$400,000	3%	
M&T Bank – Loan	13,000,000	87%	3.50%/4 years/first on M&E
Company Equity	<u>1,600,000</u>	<u>10%</u>	
 Total Project Financing	 <u>\$15,000,000</u>	 <u>100%</u>	

III. Project Description

A. Company

Industry: Manufacturer of polyvinyl chloride (“PVC”) pipe for residential, agricultural, commercial, municipal, and export markets

Company History: The Company was formed in 1970 in NYS and is one of the few PVC pipe producers that manufacture all of its products at one location. In 1997, the Company was acquired as subsidiary of Nissho Iwai American Corporation (“NIAC”), operating as a diversified wholesale company. National Pipe, with two manufacturing facilities, is one of the largest PVC pipe producers in North America and recently added capacity for 10 million pounds of high-density polyethylene pipe per year.

Ownership: The Company is privately held.

Size: The Company has two manufacturing facilities operating within a 156,102-square-foot facility at its corporate headquarters in Vestal, New York, with 178 employees. The plant in Greensboro, North Carolina, operates within an 83,450-square-foot facility with 92 employees.

Market: The Company’s market is east of the Mississippi River and Ontario and

Quebec, Canada. The Company is a full-line pipe manufacturer of plumbing pipe, electrical conduit, and water and sewer products with sizes ranging from ½" to 24" diameter pipe in purple, blue, green, and black. End product use includes gravity sewer pipe, drain, waste, vent plumbing and industrial pipe, electrical conduit, utility duct used by electric utilities, pressure water pipe used for water distribution, irrigation and golf courses. National Pipe produces a combined 250 million pounds of pipe annually. Competitors include JM Eagle (CA), North American (TX), Diamond Plastic (TX), IPEX (Quebec), and Royal Building Products (Quebec).

ESD Involvement: The Company required a larger facility with new machinery and equipment to enable it to expand product lines, become more competitive in the marketplace, and improve manufacturing efficiency. The Company considered several locations including Canada to carry out its project. The Company requested financial assistance from ESD to help to make this relocation/retention project financially feasible in NYS. As a result, ESD provided the Company with an incentive proposal in December 2012 which the Company accepted in January 2013.

Competition: National Pipe had been offered a free facility with building and grounds in Niagara, Canada, owned by a major vendor of the Company. The vendor had also offered free delivery of its materials to National Pipe at an annual savings of \$2 million per year. The Company would have an additional savings of \$500,000 per year in electrical utility costs by taking advantage of available hydro power. The project could also have occurred at the Greensboro, North Carolina, facility.

Past ESD Support: In 2006, ESD approved a \$500,000 grant to assist the Company with an expansion project that included the purchase of adjacent property in Vestal and additional machinery and equipment. The project was completed and funds were fully disbursed in 2009.

B. The Project

Completion: July 2013

Activity: The Company will be moving 100% of the NY manufacturing and shipping operations from a smaller facility in Vestal to a larger facility in Endicott. The larger 220,000-square-foot building will increase efficiencies, quality, and offer the ability to expand the product line to include larger pipe. The project includes new office space, pipe manufacturing equipment, storage silos, and a materials blending tower.

Results: The Company is exceeding its goal to retain 150 jobs and currently

employs 178 people.

Business Investment

Project: Evaluated over a seven-year period, the following are anticipated project impacts (dollar values are present value):

- Fiscal benefits to NYS government from the project are estimated at \$3,342,743;
- Fiscal cost to NYS government is estimated at \$400,000;
- Project cost to NYS government per direct job is \$4,183;
- Project cost to NYS government per job (direct plus indirect) is estimated at \$2,683;
- Ratio of project fiscal benefits to costs to NYS government is 8.36:1;
- Fiscal benefits to all governments (state and local) are estimated at \$5,542,605;
- Fiscal cost to all governments is \$400,000;
- All government cost per direct job is \$4,183;
- All government cost per total job is \$2,683;
- The fiscal benefit to cost ratio for all governments is 13.86:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$27,612,112, or \$185,196 per job (direct and indirect);
- The economic benefit to cost ratio is 69.03:1;
- Project construction cost is \$5,000,000, which is expected to generate 46 direct job years and 19 indirect job years of employment;
- For every permanent direct job generated by this project, an additional 0.53 indirect jobs are anticipated in the state's economy;
- The payback period for NYS costs is one year.

(See Project Summary Benefit-Cost Evaluation attached for detail and definitions.)

Grantee Contact: David Culbertson, CEO
3421 Old Vestal Road
Vestal, NY 13850
Phone: (607) 729-9381 Fax: (607) 729-9382

ESD Project No.: Y060

Project Team:	Origination	Kevin McLaughlin
	Project Management	Robin Alpaugh
	Contractor & Supplier Diversity	Denise Ross
	Finance	Ross Freeman
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the \$400,000 capital grant (\$4,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Company's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
3. Prior to disbursement, the Company must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's payroll, who has worked at the Project Location for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Grantee's payroll, who have worked at the Project Location for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties.
4. Up to \$400,000 will be disbursed to the Grantee in three installments as follows:
 - a) an Initial Disbursement of an amount equal to 50% of the grant (\$200,000) will be disbursed upon completion of the project substantially as described in these materials, including documentation of \$10,000,000 in machinery and equipment purchase/installation costs and project costs totaling approximately \$15,000,000, a Certificate of Occupancy or other documentation verifying project completion as ESD may require and documentation of the employment of at least 150 Full-time Permanent Employees at the Project Location, assuming that all project approvals have been completed and funds are available;
 - b) a Second Disbursement of 25% of an amount equal to the grant (\$100,000) will be disbursed no sooner than 12 months after the date the Initial Disbursement was made, upon documentation of the employment of at least 150 Full-time Permanent Employees at the Project Location, provided Grantee is otherwise in compliance with program requirements;
 - c) a Third Disbursement of an amount equal to 25% of the grant (\$100,000) will be disbursed no sooner than 24 months after the date the Initial Disbursement was made, upon documentation of the employment of at least 150 Full-time Permanent Employees at the Project Location, provided Grantee is otherwise in compliance with program requirements.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after January 2, 2013, to be considered eligible project costs. All disbursements must be requested by April 1, 2016.

5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$400,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
6. In consideration for the making of the Grant, Grantee will achieve the Employment Goals set forth in Column B of the table below. If the Full-time Permanent Employee Count for the year prior to the reporting date set forth in Column A of the table below is less than eighty-five percent (85%) of the Employment Goal set forth in Column B (an "Employment Shortfall"), then upon demand by ESD, Grantee shall be obligated to repay to ESD a portion of each disbursement of the Grant, as follows:

The Recapture Amount is based on the time that has lapsed between when the Grant funds were disbursed and when the Employment Shortfall occurred. The Recapture Amount shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:

- (i) 100% of the disbursed amount if the Employment Shortfall occurred in the calendar year that the disbursement was made, or in the first full calendar year after the disbursement was made;
- (ii) 80% of the disbursed amount if the Employment Shortfall occurred in the second full calendar year after the disbursement was made;
- (iii) 60% of the disbursed amount if the Employment Shortfall occurred in the third full calendar year after the disbursement was made;
- (iv) 40% of the disbursed amount if the Employment Shortfall occurred in the fourth full calendar year after the disbursement was made;
- (v) 20% of the disbursed amount if the Employment Shortfall occurred in the fifth full calendar year after the disbursement was made.

The Grantee’s number of Full-time Permanent Employees shall be deemed to be the greater of the number as of the last payroll date in the month of December for such year or the average employment for the 12 month period computed by quarter.

Baseline Employment	150
---------------------	-----

A	B
Date	Employment Goals
February 1, 2014	150
February 1, 2015	150
February 1, 2016	150
February 1, 2017	150
February 1, 2018	150

IV. Statutory Basis – Economic Development Purposes Fund

The project was authorized in the 2012-2013 New York State budget and reappropriated in the 2013-2014 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

V. Environmental Review

The Town of Union Planning Board, as lead agency, has completed an environmental review of the proposed project, pursuant to the requirements of the State Environmental Quality Review Act (“SEQRA”) and the implementing regulations of the New York State Department of Environmental Conservation. This review found the project to be a Type I Action, which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on November 13, 2012. ESD staff reviewed the Negative Declaration and supporting materials and concurs. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

VI. Non-Discrimination and Contractor & Supplier Diversity

ESD’s Non-discrimination and Contractor & Supplier Diversity policy will apply to the Project. The Recipient shall be required to use good faith efforts to achieve an overall Minority and Women Business Enterprise (“MWBE”) Participation goal of 20%, related to the total value of ESD’s funding, and to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project.

VII. ESD Financial Assistance Subject to Availability of Funds and Additional Approval

The provision of ESD financial assistance is contingent upon the availability of funds and the approval of the State Division of the Budget.

VIII. Additional Submissions to Directors

Resolutions

New York State Map

Project Finance Memorandum

Benefit-Cost Analysis

July 18, 2013

Endicott (Southern Tier Region – Broome County) – National Pipe & Plastic Capital – Economic Development Purposes Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Endicott (Southern Tier Region – Broome County) – National Pipe & Plastic Capital – Economic Development Purposes Fund (Capital Grant) Project (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project Plan (the “Plan”) for the Project submitted to this meeting, together with such changes therein as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, a copy of which Plan, together with such changes, is hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to National Pipe & Plastic a grant for a total amount not to exceed Four Hundred Thousand Dollars (\$400,000) from the Economic Development Purposes Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration of the grant; and be it further

RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

RESOLVED, that the President and Chief Executive Officer or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver

any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

* * *

July 18, 2013

Endicott (Southern Tier Region – Broome County) – National Pipe & Plastic Capital –
Economic Development Purposes Fund (Capital Grant) – Determination of No Significant
Effect on the Environment

RESOLVED, that based on the material submitted to the Directors with respect to the National Pipe & Plastic Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *



FOR CONSIDERATION

July 18, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Falconer (Western New York Region – Chautauqua County) – Rand Machine Products Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant)

REQUEST FOR: Findings and Determinations Pursuant to Sections 16-m and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions; Determination of No Significant Effect on the Environment

General Project Plan

I. Project Summary

Grantee: Rand Machine Products, Inc. (“Rand” or the “Company”)

ESD* Investment: A grant of up to \$150,000 to be used for a portion of the costs associated with the purchase and installation of new machinery and equipment.

* The New York State Urban Development Corporation doing business as Empire State Development (“ESD” or the “Corporation”)

Project Locations: 2072 – 2098 Allen Street Extension, Falconer, Chautauqua County**
5035 Route 60, Sinclairville, Chautauqua County
2155 Allen Street Extension, Falconer, Chautauqua County

** Project activity site; other locations are job-retention sites

Proposed Project: Property acquisition, building construction and renovation, and the purchase and installation of new machinery and equipment

Project Type: Business expansion involving job retention and creation

Regional Council: The Western New York Regional Council has been made aware of this project. The Incentive Proposal was accepted in August 2011, predating the launch of Round 1 CFA awards as part of the Regional Council Initiative; the Incentive Proposal was subsequently revised in November 2012. The project is consistent with the Regional Plan to retain and create new jobs.

Employment: Initial employment at time of ESD Incentive Offer: 92
Current employment level: 99
Minimum employment on January 1, 2014: 102

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Real Estate Acquisition	\$ 702,500
Construction/Renovation	930,500
Machinery & Equipment Acquisition	2,607,000
Soft Costs	<u>360,000</u>
Total Project Costs	<u>\$4,600,000</u>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>	<u>Rate/Term/Lien</u>
ESD – Grant	\$ 150,000	3%	
Allegheny Valve Company – Loan	600,000	13%	6%/7yrs/1 st on RE
Chautauqua County IDA – Loan	930,500	20%	4%/20yrs/2 nd on RE
Five Star Bank – Loan	1,243,500	28%	5.75%/10yrs/1 st on M&E
New York Business Development Corporation/Small Business Administration – Loan	1,114,800	24%	5.75%/10yrs/2 nd on M&E
Company Equity	<u>561,200</u>	<u>12%</u>	
Total Project Financing	<u>\$4,600,000</u>	<u>100%</u>	

III. Project Description

A. Company

Industry: Rand is a precision Computer Numeric Control (“CNC”) machining and threading specialist which manufactures and assembles custom-made metal components for specialized machinery. The Company also manufactures an affordable sheet metal brake used to bend or shape steel and aluminum for construction and auto racing applications.

Company History: Rand was established in 1949 as a small machine shop. Today, the Ruhlman family owns and operates the Company's three Chautauqua County facilities as a precision, build-to-print manufacturing facility with a stronghold in the railroad, energy and defense industries, including its Spartan Tool Division, which specializes in custom dies, tools, jigs, fixtures, industrial molds, and grinding services.

Ownership: The Company is privately-owned.

Size: All three Company facilities are located in Western New York.

Market: Rand's market includes the railroad, pipeline, mining, hospital, trucking, brass hardware and defense industries. Major customers are Ellwood National Forge (Irvine, PA), General Dynamics Ordnance and Tactical Systems (Saint Petersburg, FL), and General Electric (Bradford, PA). Primary competitors include D&E Machining, Ltd. (Corry, PA), and Stuart Tool & Die (Falconer, NY).

ESD Involvement: In early 2011, Rand notified ESD that it needed to expand its capacity to include the manufacture of larger parts in order to maintain and expand its customer base. Additionally, a customer, McConway & Torley LLC (Kutztown, PA), was interested in acquiring Rand so that it could expand into the defense market. In August 2011, Rand accepted ESD's offer of a \$150,000 grant and \$446,688 in Excelsior Jobs Program ("Excelsior") tax credits, resulting in the Company's decision to proceed with a \$6.5 million expansion project including real estate acquisition, building construction/renovations and new machinery and equipment. However, in mid-2012, the Company advised ESD that the building construction/renovations would be conducted in a phased approach over several years. On November 7, 2012, ESD responded with a revised Incentive Proposal maintaining the previous grant amount and employment commitment but reducing the project budget and expenditure requirement from \$6.5 million to \$4.6 million and the Excelsior tax credits from \$446,688 to \$405,105; the Company accepted this revised incentive in November 2012. ESD will require Rand to retain 92 jobs and create 10 new jobs by January 2014. The grant requires Rand to maintain 102 jobs through 2016; Excelsior tax credits require Rand to maintain the 102 jobs through 2021. Without assistance from ESD, Rand did not have sufficient resources to complete the project within the timeframe needed to respond to current customer needs and would have likely sold the operation to McConway & Torley, LLC, relocating 92 jobs to Pennsylvania.

Competition: The Company was competing against one of its customers, McConway &

Torley, LLC (Kutztown, PA).

Past ESD Support: This is the Company's first project with ESD.

B. The Project

Completion: June 2013

Activity: The project, which began in July 2012, involves the purchase of an adjacent 3.94-acre site containing two existing structures totaling 27,000 square feet, the construction of a new 10,000-square-foot building to connect the two newly acquired buildings to the Company's existing facility, and a new parking lot and driveway. The project also includes the purchase and installation of new machinery and equipment including a new mill/turn center, coordinate measuring system, and a 10-ton crane.

Results: The project will retain 92 existing jobs and create 10 new jobs by January 2014. The Grantee has already created 7 jobs.

Grantee Contact: Mr. Herman C. Ruhlman, Jr., President & CEO
2072 Allen Street Extension
Falconer, NY 14733
Phone: (716) 665-5217

ESD Project No.: X470

Project Team:	Origination	Ray Witzleben
	Project Management	Jean Williams
	Contractor & Supplier Diversity	Vikas Gera
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the \$150,000 capital grant (\$1,500) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Company will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Company's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the

project.

4. Prior to disbursement, the Company must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's payroll, who has worked at the Project Locations for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Grantee's payroll, who have worked at the Project Locations for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties.
5. Up to \$150,000 will be disbursed to the Grantee in three installments as follows:
 - a) an Initial Disbursement of an amount equal to 50% of the grant (\$75,000) upon completion of the project as described in these materials as evidenced by a Certificate of Occupancy; documentation verifying project expenditures of approximately \$4.6 million including expenditures of \$2.5 million for the purchase and installation of new machinery and equipment; and documentation of the employment of at least 92 Full-time Permanent Employees at the Project Locations, assuming that all project approvals have been completed and funds are available;
 - b) a Second Disbursement of an amount equal to 25% of the grant (\$37,500) will be disbursed upon documentation of the employment of at least 97 Full-time Permanent Employees at the Project Locations (Employment Increment of 5), provided Grantee is otherwise in compliance with program requirements;
 - c) a Third Disbursement of an amount equal to 25% of the grant (\$37,500) will be disbursed upon documentation of the employment of at least 102 Full-time Permanent Employees at the Project Locations (Employment Increment of 5), provided Grantee is otherwise in compliance with program requirements.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenditures must be incurred on or after August 9, 2011, to be considered eligible project costs. All disbursements must be requested by April 1, 2014.

6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$150,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
7. In consideration for the making of the Grant, Grantee will achieve the Employment Goals set forth in Column B of the table below. If the Full-time Permanent Employee

Count for the year prior to the reporting date set forth in Column A of the table below is less than eighty-five percent (85%) of the Employment Goal set forth in Column B (an "Employment Shortfall"), then upon demand by ESD, Grantee shall be obligated to repay to ESD a portion of each disbursement of the Grant, as follows:

The Recapture Amount is based on the time that has lapsed between when the Grant funds were disbursed and when the Employment Shortfall occurred. The Recapture Amount shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:

- (i) 100% of the disbursed amount if the Employment Shortfall occurred in the calendar year that the disbursement was made, or in the first full calendar year after the disbursement was made;
- (ii) 80% of the disbursed amount if the Employment Shortfall occurred in the second full calendar year after the disbursement was made;
- (iii) 60% of the disbursed amount if the Employment Shortfall occurred in the third full calendar year after the disbursement was made;
- (iv) 40% of the disbursed amount if the Employment Shortfall occurred in the fourth full calendar year after the disbursement was made;
- (v) 20% of the disbursed amount if the Employment Shortfall occurred in the fifth full calendar year after the disbursement was made.

The Grantee's number of Full-time Permanent Employees shall be deemed to be the greater of the number as of the last payroll date in the month of December for such year or the average employment for the 12 month period computed by quarter.

Baseline Employment	92
---------------------	----

A	B
Reporting Date	Employment Goals
February 1, 2014	92+X+Y
February 1, 2015	92+X+Y
February 1, 2016	92+X+Y

X = Grantee's Employment Increment that will be the basis of the Second Disbursement of the Grant as described in section C.5 above (i.e. X=5, and Employment Goals shall equal [92 + X = 97] if the Second Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Second Disbursement has not yet been made then X=0.

Y = Grantee's Employment Increment that will be the basis of the Third Disbursement of the Grant as described in section C.5 above (i.e. Y=5, and Employment Goals shall equal [92 + X + Y = 102] if the Third Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Third Disbursement has not yet been made then Y=0.

IV. Statutory Basis

1. The proposed project would promote the economic health of New York State by facilitating the creation or retention of jobs or would increase activity within a municipality or region of the state or would enhance or help to maintain the economic viability of family farms.

As a result of this project, the Company will maintain its employment level of 92 and create 10 new jobs by January 1, 2014.

2. The proposed project would be unlikely to take place in New York State without the requested assistance.

Without ESD assistance, the Grantee would likely have been acquired and relocated to Pennsylvania.

3. The project is reasonably likely to accomplish its stated objectives and the likely benefits of the project exceed costs.

Benefit-Costs Evaluations are used in evaluating projects that are categorized as Business Investment, Infrastructure Investment, and Economic Growth Investment and that involve 1) job retention and/or creation and/or 2) construction-related activity. For Business Investment projects, benefits typically reflect the impact of both jobs and construction-related activity. For Infrastructure Investment and Economic Growth Investment projects, which generate long-term benefits not captured in the period of analysis and may involve no permanent job commitments, the estimated benefits typically reflect only construction-related activity.

Evaluated over a seven-year period, the following are anticipated project impacts (dollar values are present value):

- Fiscal benefits to NYS government from the project are estimated at \$5,420,928;
- Fiscal cost to NYS government is estimated at \$534,946;
- Project cost to NYS government per direct job is \$6,901;
- Project cost to NYS government per job (direct plus indirect) is estimated at \$3,170;
- Ratio of project fiscal benefits to costs to NYS government is 10.13:1;
- Fiscal benefits to all governments (state and local) are estimated at \$9,815,890;
- Fiscal cost to all governments is \$819,871;
- All government cost per direct job is \$10,576;
- All government cost per total job is \$4,859;
- The fiscal benefit to cost ratio for all governments is 11.97:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$46,012,446, or \$272,702 per job (direct and indirect);
- The economic benefit to cost ratio is 56.12:1;
- Project construction cost is \$930,500, which is expected to generate nine direct job years and six indirect job years of employment;

- For every permanent direct job generated by this project, an additional 1.18 indirect jobs are anticipated in the state's economy;
- The payback period for NYS costs is one year.

(See Project Summary Benefit-Cost Evaluation attached for detail and definitions.)

4. The requirements of Section 10(g) of the Act are satisfied.
 No residential relocation is required because there are no families or individuals residing on the site.

V. Environmental Review

The County of Chautauqua Industrial Development Agency, as lead agency, has completed an environmental review of the proposed project, pursuant to the requirements of the State Environmental Quality Review Act ("SEQRA") and the implementing regulations of the New York State Department of Environmental Conservation. This review found the project to be an Unlisted Action, which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on April 27, 2011. ESD staff reviewed the Negative Declaration and supporting materials and concurs. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

VI. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this project. The Recipient shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women Business Enterprise ("MWBEs") for any contractual opportunities generated in connection with the Project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 20% related to the total value of ESD's funding.

VII. ESD Financial Assistance Subject to Availability of Funds and Additional Approval

The provision of ESD financial assistance is contingent upon the availability of funds and the approval of the State Division of the Budget.

VIII. Additional Submissions to Directors

Resolutions
 New York State Map
 Project Finance Memorandum
 Benefit-Cost Analysis

Falconer (Western New York Region – Chautauqua County) – Rand Machine Products Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) – Findings and Determinations Pursuant to Sections 16-m and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Rand Machine Products Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) Project (the “Project”), the Corporation hereby determines pursuant to Sections 16-m and 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that

1. The proposed project would promote the economic health of New York State by facilitating the creation or retention of jobs or would increase activity within a municipality or region of the state or would enhance or help to maintain the economic viability of family farms;
2. The project would be unlikely to take place in New York State without the requested assistance;
3. The project is reasonably likely to accomplish its stated objectives and that the likely benefits of the project exceed costs;
4. There are no families or individuals to be displaced from the project area; and be it further

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project Plan (the “Plan”) for the Project submitted to this meeting, together with such changes therein as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, a copy of which Plan, together with such changes, is hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Rand Machine Products, Inc. a grant for a total amount not to exceed One Hundred Fifty Thousand Dollars (\$150,000) from the Empire State Economic Development Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be,

subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration of the grant; and be it further

RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

RESOLVED, that the President and Chief Executive Officer or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

* * *

July 18, 2013

Falconer (Western New York Region – Chautauqua County) – Rand Machine Products Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) – Determination of No Significant Effect on the Environment

RESOLVED, that based on the material submitted to the Directors with respect to the Rand Machine Products Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

Project Summary Benefit-Cost Evaluation¹

Rand Machine Products, Inc. – Business Investment

Benefit-Costs Evaluations are used in evaluating projects that are categorized as Business Investment, Infrastructure Investment, and Economic Growth Investment and that involve 1) job retention and/or creation and/or 2) construction-related activity. For Business Investment projects, benefits reported in the table below typically reflect the impact of both jobs and construction-related activity. For Infrastructure Investment and Economic Growth Investment projects, which generate long-term benefits not captured in the period of analysis and may involve no permanent job commitments, the table typically reflects only construction-related activity. Benchmarks for each type of project are noted in the footnotes.

Initial Jobs:	92	Construction Job Years (Direct):	9
New Jobs:	10 over two years	Construction Job Years (Indirect):	6

Evaluation Statistics	Project Results NYS Gov't.	NYS Gov't. Benchmarks ²	Project Results State & Local Government	State & Local Government Benchmarks
Fiscal Costs³	\$534,946	\$794,250	\$819,871	\$1,020,500
Fiscal Benefits⁴	\$5,420,928	\$2,085,600	\$9,815,890	\$4,271,980
Fiscal Cost /Direct Job	\$6,901	\$3,000	\$10,576	\$4,110
Fiscal Cost/Total Jobs	\$3,170	\$1,424	\$4,859	\$1,964
Fiscal B/C Ratio	10.13	7.00	11.97	10.60
	Project Results	Benchmarks		
Economic Benefits⁵	\$46,012,446	\$119,468,000		
Econ. Benefits/Total Jobs	\$272,702	\$147,600		
Economic B/C Ratio	56.12	50.00		

¹ Dollar values are present value calculated over a 7-year period. Separate evaluations are made and reported for New York State government assistance alone and for State and Local government.

² The current project evaluation results (both fiscal and economic) are compared to performance measure benchmarks based on results of a sample of ESD non-retail projects. Business Investment project benchmarks are 7.00 (Fiscal) and 50.00 (Economic). Infrastructure Investment (or Economic Growth Investment) project benchmarks are 3.00 (Fiscal) and 20.00 (Economic).

³ Fiscal cost includes the value of grants, loans and associated default risks, and discretionary subsidies (such as tax exemptions or abatements on sales, property, and interest income).

⁴ Fiscal benefits are the loan repayments and tax revenues to New York State and Local governments generated by project activity. This includes estimated taxes on personal incomes from project direct and indirect employment, corporate and business incomes, excise and user taxes, property taxes, and other taxes.

⁵ Economic benefits are estimated project benefits measuring fiscal flows to government plus net resident disposable income from project direct and indirect employment net of transfers, without adjusting for individual income earners' opportunity cost of employment.



FOR CONSIDERATION

July 18, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Buffalo Billion Initiative – Niagara Falls (Western New York Region – Niagara County) – Robert Moses Parkway – South Riverway – Buffalo Regional Innovation Cluster (Capital Grant)

REQUEST FOR: Findings and Determinations Pursuant to Section 10 (g) of the Act;
Authorization to Adopt the Proposed General Project Plan;
Authorization to Make a Grant and to Take Related Actions;

General Project Plan

I. Project Summary

Grantee: New York State Office of Parks, Recreation, and Historic Preservation (“OPRHP”)

ESD* Investment: A grant of up to \$1,500,000 to be used for design costs related to the reconstruction of the Robert Moses Parkway (“RMP”) and Entry Road to Niagara Falls State Park.

* The New York State Urban Development Corporation doing business as Empire State Development (“ESD” or the “Corporation”)

Project Location: One-mile segment of the RMP and Entry Road to Niagara Falls State Park, Niagara Falls, Niagara County

Proposed Project: Design activities to determine the reconfiguration of a one-mile segment of the RMP and Niagara Falls State Park Entry Road in the City of Niagara Falls (the “City”) jointly referred to as the RMP-South Riverway project.

Project Type: Infrastructure improvement

Regional Council: The Western New York Regional Economic Development Council oversees the implementation of the Buffalo Billion Investment Development Plan. This project is part of the Buffalo Billion Initiative to enhance the development of downtown Niagara Falls and demonstrates the State’s commitment to revitalize the tourism economy of Western New York Region (the “Region”).

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Design related to Infrastructure Project	<u>\$1,500,000</u>	
Total Project Costs	<u>\$1,500,000</u>	
<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD – Grant	<u>\$1,500,000</u>	<u>100%</u>
Total Project Financing	<u>\$1,500,000</u>	<u>100%</u>

III. Project Description

A. Grantee

Industry: Fueled by over 8 million visitors annually to Niagara Falls and other State Park facilities along the Niagara Gorge, OPRHP assets in Niagara County generate nearly half a billion dollars (\$480 million) each year in tourism.

Grantee History: OPRHP was created in 1972 as a result of passage of the New York State Parks, Recreation, and Historic Preservation Law. The agency is responsible for administration of a statewide system of 178 State Parks and 35 State Historic Sites. Additionally, the agency owns several components of the State Parkway System, including the RMP in Niagara County. OPRHP has an agreement with the New York State Department of Transportation (“NYSDOT”) to maintain the RMP.

Ownership: OPRHP is a New York State Agency.

Size: OPRHP operates 325,000 acres of state park and recreational facilities across New York State, including the 400-acre Niagara Falls State Park, the nation’s oldest state park. Niagara Falls State Park, designed by renowned landscape architect Frederick Law Olmsted, is listed on the

State/National Registers of Historic Places and is designated as a National Historic Landmark.

ESD Involvement: In 2006, OPRHP, together with NYSDOT, the ESD’s subsidiary USA Niagara Development Corporation (“USAN”), and the City entered into a landmark memorandum of understanding (“MOU”) to jointly plan and design a reconfiguration of two key segments of the RMP (i.e., the RMP-South Riverway being one of the two). The agencies agreed to reconfigure RMP based on a determination that the road: 1) was not necessary to reasonably support traffic access; 2) effectively cut off access between City neighborhoods and the City’s waterfront; and 3) was deemed an impediment to fully realizing the City’s or Region’s tourism potential. Since the signing of the MOU, OPRHP has used federal and MOU partner funds to procure design consultants, conduct public scoping processes for each segment, and complete preliminary design and environmental review for the RMP South segment (which is being submitted to federal officials for approval).

In 2012, Governor Cuomo announced that the Western New York Regional Economic Development Council will focus on tourism. As a result, the WNY Regional Strategic Economic Development Plan outlined measures to enhance and grow Niagara Falls tourism, including re-establishing waterfront access in the City.

In May 2013 the Governor announced an \$11.5 million award from the Buffalo Billion Initiative to implement the RMP-South Riverway project to open up access to the Niagara River’s edge, making adjacent neighborhoods more valuable for development and to begin to facilitate a true outdoor recreational economy in the City. \$1.5 million of the \$11.5 million award will be used for design costs of the RMP-South Riverway. The remaining \$10 million will be used for reconstruction activities.

Competition: N/A

Past ESD Support: This is the Grantee’s first project with ESD.

B. The Project

Completion: April 2014

Activity: The project involves design activities to reconfigure a one-mile segment of the RMP extending from John B. Daly Boulevard to Old Falls Street and preparation of final design/contract documents to support competitive bidding for the future road reconstruction to ultimately create an at-grade, landscaped roadway, evoking Frederick Law Olmsted’s historic

design of the “Riverway” in this area. Hatch Mott McDonald (Millburn, NJ) was been selected, through a competitive bid process, to provide the design services.

Following completion of design activities, at a later date, the ESD Directors will be requested to approve the remaining \$10 million of the \$11.5 million award for reconstruction activities which would include: replacement of a grade-separated interchange at John B. Daly Boulevard with a modern roundabout to create a more fitting gateway experience into Niagara Falls State Park and downtown Niagara Falls; removal of the elevated embankment to open views/access to the Upper Niagara River and Rapids; and implementation of a full landscaping/access plan with native vegetation, scenic overlooks, and multi-purpose trail facilities. The completion of the road reconstruction is anticipated to be substantially complete by December 2015.

Results:

The project will facilitate the reconstruction of an access system that is “right-sized” to accommodate all modes of travel; elimination of underutilized and/or redundant roadway facilities; and restoration of native habitats along the riverfront. The completed reconstruction project will directly support and facilitate at least four mixed-use lodging/retail projects in the adjoining Buffalo Avenue and Rainbow Boulevard corridors, representing over 450 hotel rooms and nearly \$50 million in new investment. As part of a long term strategy to fully open up the City’s waterfront along the RMP-South and RMP-North corridor, the Project would be a key first step in realizing what was projected in the *City of Niagara Falls Waterfront Master Plan* (prepared by Sasaki Associates and Halcyon Real Estate Advisors)—in which the plan’s 20-year “Moderate” growth scenario estimated the following long-term economic benefits (note: adjusted to current dollars):

- A net increase in demand for over one million new hotel room nights;
- A net annual increase in retail/non-retail spending of \$336 million;
- Net additional support (through rehabilitation or new development) of 548,000 SF of new retail space;
- Net additional support (through rehabilitation or new development) of 1,036 new hotel rooms;
- Net new retail, lodging, and travel-related employment totaling 2,880 new jobs;
- Net new permanent annual payroll of \$94 million;
- New annual State income tax receipts of \$2.8 million; and
- New annual State sales tax receipts

of \$11.5 million.

Infrastructure

Investment Project: Benefit-Costs Evaluations are used in evaluating projects that are categorized as Business Investment, Infrastructure Investment, and Economic Growth Investment and that involve 1) job retention and/or creation and/or 2) construction-related activity. For Business Investment projects, benefits typically reflect the impact of both jobs and construction-related activity. For Infrastructure Investment and Economic Growth Investment projects, which generate long-term benefits not captured in the period of analysis and may involve no permanent job commitments, the estimated benefits typically reflect only construction-related activity.

Evaluated over a seven-year period, the following are anticipated project impacts (dollar values are present value):

- Fiscal benefits to NYS government from the project are estimated at \$1,322,921;
- Fiscal cost to NYS government is estimated at \$10,000,000;
- Ratio of project fiscal benefits to costs to NYS government is 0.13:1;
- Fiscal benefits to all governments (state and local) are estimated at \$2,267,056;
- Fiscal cost to all governments is \$10,000,000;
- The fiscal benefit to cost ratio for all governments is 0.23:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$11,941,686;
- The economic benefit to cost ratio is 1.19:1;
- Project construction cost is \$21,500,000, which is expected to generate 194 direct job years and 131 indirect job years of employment;
- For every construction-related direct job generated by this project, an additional 0.68 indirect job is anticipated in the state's economy;

(See Project Summary Benefit-Cost Evaluation attached for detail and definitions.)

Grantee Contact: Mr. Mark Thomas, Western District Regional Director
Prospect Park, P.O. Box 1132
Niagara Falls, NY 14303
Phone: (716) 278-1770

ESD Project No.: Y511

Project Team:	Origination	Christina Orsi
	Project Management	Jean Williams
	Contractor & Supplier Diversity	Vikas Gera

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Grantee shall reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. Up to \$1,500,000 will be disbursed to Grantee during the course of the project, no more frequently than monthly, in compliance with the Design & Construction Requirements ("D&C"), assuming that all project approvals have been completed and funds are available. The final 10% of the grant will be disbursed to the Grantee upon completion of the project. Payment will be made upon presentation to ESDC of an invoice and such other documentation as ESDC may reasonably require. Expenditures must be incurred on or after May 20, 2013. All disbursements must be requested by April 1, 2016.
3. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$1,500,000 for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

IV. Statutory Basis – Buffalo Regional Innovation Cluster

The project was authorized in the 2012-2013 New York State budget and reappropriated in the 2013-2014 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

V. Design and Construction

ESD's Design & Construction Department ("D&C"), including USAN staff, shall participate and assist in leading all Project planning in conjunction with OPRHP staff, including attendance at all consultant meetings as the final design and construction documents are developed. D&C and USAN staff will remain actively involved as the Project moves into the construction phase. D&C will monitor and review and approve all final design and construction documents, construction cost estimates, monthly requisition payments, project budgets, contingency use and Project schedule. D&C will monitor the construction and site supervision at its option, and authorize payments when all of its requirements have been met.

VI. Environmental Review

ESD staff has determined that the activities associated with the first phase of the Project's grant disbursement, which are limited to design activities that do not commit the agency to undertake any particular action, constitute a Type II action as defined by the New York State Environmental Quality Review Act ("SEQRA") and the implementing regulations for the New

York State Department of Environmental Conservation. No further environmental review is required in connection with this phase of the Project.

With regard to any subsequent grant disbursement for the construction phase, OPRHP (as a project applicant) has already undertaken the completion of a Draft Design Report/Environmental Assessment (“DR/EA”) and conducted a public hearing, in accordance with the National Environmental Policy Act (“NEPA”) and Federal Highway Administration (“FHWA”) requirements. OPRHP has also conducted consultation with the State Historic Preservation Officer (“SHPO”) regarding potential effects of the Project in accordance with Section 106 of the National Historic Preservation Act. Based upon agency/public comments on the Draft DR/EA, it is anticipated that FHWA will issue a “Categorical Exclusion with Documentation” on the Project in accordance with NEPA and a “Determination of No Adverse Effect” in accordance with Section 106. Based upon final documentation from the Project’s NEPA/Section 106 processes, ESD Directors will be required to make an SEQRA environmental determination on the Project prior to disbursement of funds for any construction activities.

VII. Non-Discrimination and Contractor & Supplier Diversity

ESD’s Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Recipient shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women Business Enterprise (“MWBEs”) for any contractual opportunities generated in connection with the Project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 20%. The overall goal shall include a Minority Business Enterprise (“MBE”) Participation Goal of 12% and a Women Business Enterprise (“WBE”) Participation Goal of 8% related to the total value of ESD’s funding.

VIII. ESD Employment Enforcement Policy

ESD's Employment Enforcement Policy will not apply since the project will not directly create or retain jobs.

IX. ESD Financial Assistance Subject to Availability of Funds and Additional Approval

The provision of ESD financial assistance is contingent upon the availability of funds and the approval of the State Division of the Budget.

X. Additional Submissions to Directors

- Resolutions
- New York State Map
- Benefit-Cost Analysis
- Project Photograph

July 18, 2013

Buffalo Billion Initiative – Niagara Falls (Western New York Region – Niagara County) – Robert Moses Parkway – South Riverway – Buffalo Regional Innovation Cluster (Capital Grant) Project – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Robert Moses Parkway South Riverway – Buffalo Regional Innovation Cluster (Capital Grant) Project (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project Plan (the “Plan”) for the Project submitted to this meeting, together with such changes therein as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, a copy of which Plan, together with such changes, is hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to NYS Office of Parks, Recreation & Historic Preservation a grant for a total amount not to exceed One Million Five Hundred Thousand Dollars (\$1,500,000) from the Buffalo Regional Innovation Cluster Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration of the grant; and be it further

RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

RESOLVED, that the President and Chief Executive Officer or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver

any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

* * *

FOR CONSIDERATION

July 18, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Buffalo Billion Initiative – Various Locations (Western New York Region – Allegany, Cattaraugus, Chautauqua, Erie, and Niagara Counties) – Edison Welding Institute Working Capital – Economic Development Purposes Fund (Working Capital)

REQUEST FOR: Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Make a Grant and to Take Related Actions

I. Project Summary

Grantee: Edison Welding Institute, Inc. (“EWI” or the “Institute”)

ESD* Investment: A grant of up to \$316,605 to be used for a portion of the cost of planning activities.

* The New York State Urban Development Corporation doing business as Empire State Development (“ESD” or the “Corporation”)

Project Location: Western New York

Proposed Project: Develop a business plan to establish the Buffalo-Niagara Institute for Manufacturing Competitiveness (“BNIMC”), an industry-driven, self-sustaining organization dedicated to increasing manufacturing competitiveness.

Project Type: Working Capital

Regional Council: The Western New York (“WNY”) Regional Economic Development Council (“REDC”) has been made aware of this item. The Incentive Offer was accepted in May 2013. The project is a signature initiative of the Buffalo Billion Investment Development Plan and is consistent with the WNY Regional Plan to promote advanced manufacturing capabilities, job growth, and economic development.

II. Project Cost and Financing Sources

<u>Financing Uses Include:</u>	<u>Amount</u>	
Obtain Critical Stakeholder Input, Develop Service Strategies, Formulize BNIMC Technology Focus Areas, Conduct Facilities Planning, Design Institute Organizational Structure, Identify Staffing Requirements and Potential Institute Leadership Candidates, Develop Operational Strategy & Fast-Start Business Plan, and Liaise with ESD	<u>\$316,605</u>	
Total Project Costs	<u>\$316,605</u>	
<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD – Grant	<u>\$316,605</u>	<u>100%</u>
Total Project Financing	<u>\$316,605</u>	<u>100%</u>

III. Project Description

A. Grantee

Industry: EWI is a member-based organization that assists mid- to large-sized manufacturers to improve operational efficiencies through innovative welding and materials joining, allied technologies, manufacturing support and strategic services. EWI holds numerous patents for various materials joining technologies and is a leading engineering and technology organization in North America dedicated to materials joining.

Grantee History: The Institute was founded in 1984 as a partnership between Ohio State University, Battelle Memorial Institute, and fifteen industry and governmental partners. The Institute's goal was to promote interaction of business, government, educational institutions and research organizations to stimulate the development, implementation, and transfer of advancements in welding and allied technologies. By the end of its first year, EWI had 125 members. Today, it has over 240 members serving over 1,200 locations worldwide.

Ownership: EWI is a 501(c)3 not-for-profit organization.

Size: Located within a research park at Ohio State University in Columbus, Ohio, EWI's headquarters employ over 90 highly-skilled engineers, scientists, technicians, industry experts and project managers. EWI also

operates a number of centers and consortia that act as hubs to improve collaboration, strengthen United States manufacturing supply chains, and make American manufacturers more globally competitive. These centers and consortia include the Additive Manufacturing Consortium, EWI Energy Center, EWI Nuclear Fabrication Center, and EWI Rail Manufacturing Technology Center, all of which are located in Columbus, Ohio.

Market: EWI provides services to over 1,200 member companies worldwide, many of which are world-leaders in their particular manufacturing sector including aerospace, automotive, defense, heavy fabrication, consumer products, light industrial, energy, primary materials, medical devices, and rail.

ESD Involvement: During Governor Cuomo's 2012 State of the State address, he committed a \$1 billion investment in the Buffalo area economy to create thousands of jobs and spur \$5 billion in new investment and economic activity over several years. In mid-2012, ESD selected McKinsey & Company, Inc. ("McKinsey"), through a competitive solicitation, to create and implement a strategy for the \$1 billion, specifically to drive investment, create jobs, leverage Buffalo area assets, while overcoming the area's challenges. In March 2012, the WNY REDC, through the efforts of McKinsey and local stakeholders, unveiled the Buffalo Billion Investment Development Plan (the "Plan"). The Plan concluded that despite steady job losses over the last four decades, manufacturing is still the third largest employment sector in WNY's economy. WNY has lost manufacturing jobs at a faster rate over the last decade than the rest of the country, but manufacturing sectors like materials, pharmaceuticals, medical devices, machinery, and food processing have continued to show competitive strength. Many WNY manufacturers have expressed concern that they do not believe they can meet hiring needs from the local talent pool. These manufacturers do not connect with local schools and colleges directly and are not aware of workforce development institutions and programs. To address this situation, the BNIMC was conceived as a Wave I Signature Initiative in the Buffalo Billion Investment Development Plan.

Past ESD Support: This is the Grantee's first project with ESD.

B. The Project

Completion: September 2013

Activity: The project will involve planning activities including obtaining critical stakeholder input and developing technology focus areas; compilation of a portfolio of research and development services; production of a list of prioritized needs of the manufacturing sector; determination of high-impact equipment to be purchased to support the BNIMC; creation of an organizational and functional structure; placement of a staff made up of BNIMC partner organizations and establishment of an Industry Advisory Board to identify emerging needs and set priorities; initiate efforts to repatriate experienced and qualified business leaders to WNY; and continuation of liaising and communication between EWI, ESD, McKinsey, and the BNIMC and its partners, including weekly emails, bi-weekly teleconferences, and face-to-face discussions. EWI was selected based on its unique expertise.

Upon conclusion of the project, EWI will present the REDC with a BNIMC Business Plan for Growth and Sustainability which will articulate critical tasks, a financial model and operational strategy to reduce risk and enable a fast and successful launch of the self-sustaining BNIMC.

Results: Once established, the BNIMC will be a state-of-the-art facility focusing on the collaboration and advancement of manufacturing processes and products, bridging the gap between research and manufacturing implementation in an effort to accelerate the time to deployment of technical innovation. The BNIMC, which will be self-sustaining through membership and fee for services provided, will enable the Buffalo area to be a nationally-recognized hub of manufacturing innovation with a particular emphasis on materials, machinery, and chemicals. Additionally, it will be an important catalyst to attract manufacturers, thus increasing job opportunities and increasing revenues in WNY.

Economic Growth

Investment Project: This project does not involve a permanent job commitment or construction spending. While it may generate significant long term fiscal and economic benefits, such benefits are not estimated within the short-term period used in the benefit cost analysis.

Grantee Contact: Mr. H. Michael Sewell, C.F.C.M.
Director, Contracts
1250 Arthur E. Adams Drive
Columbus, OH 43221
Phone: (614) 688-5076 Fax: (614) 688-5012

ESD Project No.: Y492

Project Team:	Origination	Christina Orsi
	Project Management	Jean Williams
	Contractor & Supplier Diversity	Vikas Gera
	Finance	Amit Nihalani
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. The Grantee will demonstrate no materially adverse changes in its financial condition prior to disbursement.

2. Up to \$316,605 will be disbursed to the Grantee in two installments as follows:
 - a) an Initial Disbursement of \$150,000 upon documentation verifying project expenditures of \$150,000, including copies of invoices, proof of payment and such other documentation as ESD may reasonably require, as well as submission and acceptance by ESD of project deliverables outlined below:
 - Non-Profit/National Laboratory Best Practices Documentation
 - WNY Manufacturing Needs Documentation
 - Selected Technology Focus Areas for the Institute
 - Description of Services Provided by the Institute
 - Institute Organizational Structure
 - Identification of BNIMC Leadership

 - b) a Second Disbursement of \$166,605 will be disbursed, upon documentation verifying additional project expenditures of \$166,605 (aggregate total of \$316,605) including copies of invoices, proof of payment and such other documentation as ESD may reasonably require and submission and acceptance by ESD of project deliverables outlined below:
 - Membership Attraction and Membership Growth Plan
 - WNY/United States Impact Estimates
 - Risk to Sustainability and Mitigation Strategies
 - Level of Investment for 5-8 years
 - Pro-forma Profit & Loss Statement
 - BNIMC Business Plan for Growth and Sustainability

Expenditures reimbursed by ESD's grant must be incurred on or after May 20, 2013, to be considered eligible project costs.

3. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$316,605, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

IV. Statutory Basis – Economic Development Purposes Fund

The project was authorized in the 2012-2013 New York State budget and reappropriated in the 2013-2014 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

V. Environmental Review

ESD staff has determined that the project constitutes a Type II action as defined by the New York State Environmental Quality Review Act (“SEQRA”) and the implementing regulations of the New York State Department of Environmental Conservation. No further environmental review is required in connection with the project.

VI. Non-Discrimination and Contractor & Supplier Diversity

Pursuant to New York State Executive Law Article 15-A, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority-and women-owned businesses (“MWBES”) in the performance of ESD projects. For purposes of this project, however, goals will not be established due to the unavailability of certified MWBEs for performance of this Contract.

VII. ESD Employment Enforcement Policy

ESD's Employment Enforcement Policy will not apply since the project will not directly create or retain jobs.

VIII. ESD Financial Assistance Subject to Availability of Funds and Additional Approval

The provision of ESD financial assistance is contingent upon the availability of funds and the approval of the State Division of the Budget.

IX. Additional Submissions to Directors

Resolutions
New York State Map
Project Finance Memorandum

July 18, 2013

Buffalo Billion Initiative – Various Locations (Western New York Region – Allegany, Cattaraugus, Chautauqua, Erie, Niagara Counties) – Edison Welding Institute Working Capital – Economic Development Purposes Fund (Working Capital) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Make a Grant and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Edison Welding Institute Working Capital – Economic Development Purposes Fund (Working Capital) Project (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Edison Welding Institute, Inc. a grant for a total amount not to exceed Three Hundred Sixteen Thousand Six Hundred Five Dollars (\$316,605) from the Economic Development Purposes Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration of the grant; and be it further

RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

RESOLVED, that the President and Chief Executive Officer or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

* * *



FOR CONSIDERATION

July 18, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Discretionary Projects Consent Calendar

REQUEST FOR: Findings and Determinations Pursuant to Sections 16-m and 10(g) of the Act; Authorization to Adopt the Proposed General Project Plans; Authorization to Make Grants and to Take Related Actions; Determination of No Significant Effect on the Environment

Attached are summaries of discretionary projects requesting ESD assistance of \$100,000 and under in the following categories:

Empire State Economic Development Fund

	Project Name	Proj #	Grantee	Assistance up to
	General Development Financing Projects			
A	R.B. Woodcraft Capital	X179	R.B. Woodcraft, Inc.	\$80,000
B	Mohawk Fabric Capital	X300	Mohawk Fabric Company	48,000
			TOTAL	\$128,000

The provision of ESD* financial assistance is contingent upon the availability of funds and the approval of the State Division of the Budget.

*The New York State Urban Development Corporation doing business as the Empire State Development ("ESD" or the "Corporation")

Environmental Review

Unless otherwise noted on a project summary, ESD staff has determined that the projects constitute Type II actions as defined by the New York State Environmental Quality Review Act and the implementing regulations for the New York State Department of Environmental Conservation. No further environmental review is required in connection with the projects.

Office of Contractor and Supplier Diversity

Pursuant to New York State Executive Law Article 15-A, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority and women-owned businesses in the performance of ESD contracts. Accordingly, ESD's Non-discrimination and Supplier Diversity policy will apply to the projects. In the case of training, global export market service and productivity improvement projects, the grantees and/or the beneficiary companies, as applicable, shall use their good faith efforts to provide for the meaningful participation of minorities and women in any job or training opportunities created by the projects and to solicit and utilize minority and women-owned businesses for any contractual opportunities generated in connection with the projects.

For all other projects, unless otherwise specified in the project summary, grantees shall use their good faith efforts to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation Goal of 23% related to the total value of ESD's funding. This shall include a Minority Business Enterprise ("MBE") Participation goal of 13% and a Women Business Enterprise ("WBE") Participation goal of 10%. Grantee shall use good faith efforts to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project and to include minorities and women in any job opportunities created by the Projects.

Reallocation of Funds

ESD may reallocate each project's funds to another form of assistance, at an amount no greater than the amount approved, for the same project if ESD determines that the reallocation of the assistance would better serve the needs of the recipient and the state of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

ESD Employment Enforcement Policy

Unless otherwise noted on a project summary, the ESD Employment Enforcement Policy will not apply because these projects do not directly create jobs.

Statutory Basis

A. Empire State Economic Development Fund

Please see individual project summaries for factual bases for items 1, 2, and 3.

1. Each proposed project would promote the economic health of New York State by facilitating the creation or retention of jobs or would increase activity within a municipality or region of the State or would enhance or help to maintain the economic viability of family farms.
2. Each proposed project would be unlikely to take place in New York State without the requested assistance.
3. Each proposed project is reasonably likely to accomplish its stated objectives and the likely benefits of the project exceed costs.
4. The requirements of Section 10(g) of the Act are satisfied.
No residential relocation is required in connection with any project involving the acquisition, construction, reconstruction, rehabilitation, or improvement of property because no families or individuals reside on the sites.

Attachments

New York State Map

Resolutions

Project Summaries

July 18, 2013

Empire State Economic Development Fund – Findings and Determinations Pursuant to Sections 16-m and 10(g) of the Act; Authorization to Adopt the Proposed General Project Plans; Authorization to Make Grants and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Empire State Economic Development Fund Projects identified below (the “Projects”), the Corporation hereby determines pursuant to Section 16-m of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that

1. The Projects would promote the economic health of New York State by facilitating the creation or retention of jobs or would increase activity within a municipality or region of the State or would enhance or help to maintain the economic viability of family farms.
2. The Projects would be unlikely to take place in New York State without the requested assistance.
3. The Projects are reasonably likely to accomplish its stated objectives and the likely benefits of the project exceed costs.
4. There are no families or individuals to be displaced from the project area(s); and be it further

RESOLVED, that with respect to the General Development Financing Capital Projects, the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project Plans (the “Plan”) for the Projects submitted to this meeting, together with such changes therein as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, a copy of which Plan, together with such changes, are hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s), that no substantive negative testimony or comment has been received at the public hearings held on the Plan, such Plan shall be effective at the conclusion of such hearings, and that upon such written findings being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make a grant to the party and for the amount listed below from the Empire State Economic Development Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the grants, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grants as he or she may deem necessary or appropriate in the administration of the grants; and be it further

RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals;

Empire State Economic Development Fund

	Project Name	Proj #	Grantee	Assistance up to
	General Development Financing Projects			
A	R.B. Woodcraft Capital	X179	R.B. Woodcraft, Inc.	\$80,000
B	Mohawk Fabric Capital	X300	Mohawk Fabric Company	48,000
			TOTAL	\$128,000

and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

* * *

A. R.B. Woodcraft Capital (X179)

July 18, 2013

General Project Plan

Grantee:	R.B. Woodcraft, Inc. (“R.B. Woodcraft” or the “Company”)	
ESD Investment:	A grant of up to \$80,000 to be used for a portion of the cost to purchase and install new machinery and equipment.	
Project Location:	1860 Erie Boulevard East, Syracuse, Onondaga County	
Proposed Project:	Renovations and the purchase of machinery and equipment necessary to expand and improve efficiencies at the Company’s Syracuse facility	
Project Type:	Business expansion involving job creation and retention	
Regional Council:	The Central New York Regional Council has been made aware of this item. The Incentive Offer was accepted in July 2010, predating the Regional Council Initiative, and was revised in July 2012. The project is consistent with the Regional Plan to support advanced manufacturing in Central New York.	
Employment:	Initial employment at time of ESD Incentive Offer:	47
	Current employment level:	52
	Minimum employment on January 1, 2015:	64

Background:

Industry – R.B. Woodcraft manufactures high-end, custom cabinetry and displays for the commercial market. Its products and services include architectural millwork, commercial cabinetry, modular casework, store fixtures, and point of purchase displays for the hotel, banking, healthcare, gaming, educational, museum, corporate offices, and retail industries throughout the world.

Company History – R.B. Woodcraft was founded in 1984 by Raymond A. Brooks, who continues to be active in the day-to-day activities of the business and serves as the Company’s President. The Company has operated out of its present location for the past 20 years and is a member of the Architectural Millwork Institute.

Ownership – The Company is privately owned.

Size – All facilities are located in Syracuse, NY.

A. R.B. Woodcraft Capital (X179)

July 18, 2013

Market – The Company’s three largest customers are PF Chang restaurants, Marriott Hotels, and Aspen Dental, each with locations throughout the United States. Three of its largest competitors include J. Suss Industries (Montreal, Quebec), C.S. Humphrey’s (Kansas City, MO), and Merric Inc. (Bridgeton, MO).

ESD Involvement – In 2010, Company management determined it needed to expand its facility and upgrade its machinery and equipment in order to remain competitive and viable in the industry. The investment in the expansion and upgrade would require significant working capital needs due to the increased debt load, projected increases in personnel costs (new hires), high energy costs in central New York (increased consumption), and real estate tax increases associated with the project. The Company requested financial assistance from ESD, and ESD responded with an \$80,000 capital grant to assist in the financing of the project. Without ESD assistance, the expansion would not have been feasible.

Past ESD Support – This is the Company’s first project with ESD.

The Project:

Completion – November 2012

Activity – R.B. Woodcraft made investments in machinery and equipment, building improvements, computers and computer software in order to remain competitive in the architectural millwork industry. The millwork business is capital intensive and in order to compete effectively, the company needed to upgrade its machinery and invest in its building to improve the efficiencies of its workforce. The Company has renovated and equipped a 1,148-square-foot addition to its existing 18,510-square-foot facility, constructed a new loading dock, and built a state-of-the-art engineering room off of the production floor.

Results – The Company will retain 47 existing jobs and create 17 new jobs. The facility and machinery upgrades will support its market share and production capability allowing the Company to remain viable in a very competitive industry.

A. R.B. Woodcraft Capital (X179)
July 18, 2013

Financing Uses	Amount	Financing Sources	Amount	Percent
Construction/Renovation	\$205,362	ESD Grant	\$80,000	9%
Machinery & Equipment	644,821	M&T Bank Loan*	52,692	6%
		M&T Bank Loan**	175,700	21%
		M&T Bank Loan***	252,000	30%
		Company Equity	289,791	34%
Total Project Costs	\$850,183	Total Project Financing	\$850,183	100%

**12-month term (paid in full)/Libor + 2.50 /secured by equipment*

*** 5-year term/Libor +2.50/secured by equipment*

**** 5-year term/Libor +3.00 /secured by equipment*

Grantee Contact – Joe McGlynn, Comptroller
1860 Erie Boulevard East
Syracuse, NY 13210
Phone: (315) 474-2429 Fax: (315) 413-7381

Project Team –

Origination	Bonnie Palmer
Project Management	Jessica Hughes
Contractor & Supplier Diversity	Diane Kinnicutt
Environmental	Soo Kang

Financial Terms and Conditions:

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the \$80,000 capital grant (\$800) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Company will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. The Company will be required to contribute at least 10% of the total project cost in the form of equity contributed after the Company's written acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Prior to disbursement, the Company must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's payroll, who has worked at the Project Location for a

A. R.B. Woodcraft Capital (X179)

July 18, 2013

minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Grantee's payroll, who have worked at the Project Location for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties.

5. Up to \$80,000 will be disbursed to the Grantee in three installments as follows:
 - a) an Initial Disbursement of an amount equal to 50% of the grant (\$40,000) upon documentation of renovation/construction and machinery and equipment project costs totaling \$769,930, upon completion of the project substantially as described in these materials, and documentation of the employment of at least 47 Full-time Permanent Employees at the Project Location, assuming that all project approvals have been completed and funds are available;
 - b) a Second Disbursement of an amount equal to 25% of the grant (\$20,000) will be disbursed upon documentation of the employment of at least 56 Full-time Permanent Employees at the Project Location (Employment Increment of 9), provided Grantee is otherwise in compliance with program requirements;
 - c) a Third Disbursement of an amount equal to 25% of the grant (\$20,000) will be disbursed upon documentation of the employment of at least 64 Full-time Permanent Employees at the Project Location (Employment Increment of 8), provided Grantee is otherwise in compliance with program requirements.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after August 18, 2010, to be considered eligible project costs. All disbursements must be requested by April 1, 2015.

6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$80,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
7. In consideration for the making of the Grant, Grantee will achieve the Employment Goals set forth in Column B of the table below. If the Full-time Permanent Employee Count for the year prior to the reporting date set forth in Column A of the table below is less than eighty-five percent (85%) of the Employment Goal set forth in Column B (an "Employment Shortfall"), then upon demand by ESD, Grantee shall be obligated to repay to ESD a portion of each disbursement of the Grant, as follows:

A. R.B. Woodcraft Capital (X179)
July 18, 2013

The Recapture Amount is based on the time that has lapsed between when the Grant funds were disbursed and when the Employment Shortfall occurred. The Recapture Amount shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:

- (i) 100% of the disbursed amount if the Employment Shortfall occurred in the calendar year that the disbursement was made, or in the first full calendar year after the disbursement was made;
- (ii) 80% of the disbursed amount if the Employment Shortfall occurred in the second full calendar year after the disbursement was made;
- (iii) 60% of the disbursed amount if the Employment Shortfall occurred in the third full calendar year after the disbursement was made;
- (iv) 40% of the disbursed amount if the Employment Shortfall occurred in the fourth full calendar year after the disbursement was made;
- (v) 20% of the disbursed amount if the Employment Shortfall occurred in the fifth full calendar year after the disbursement was made.

The Grantee's number of Full-time Permanent Employees shall be deemed to be the greater of the number as of the last payroll date in the month of December for such year or the average employment for the 12 month period computed by quarter.

Baseline Employment	47
---------------------	----

A	B
Reporting Date	Employment Goals
February 1, 2014	47+X+Y
February 1, 2015	47+X+Y
February 1, 2016	47+X+Y
February 1, 2017	47+X+Y
February 1, 2018	47+X+Y

X = Grantee's Employment Increment that will be the basis of the Second Disbursement of the Grant as described in section 5 above (i.e. X=9, and Employment Goals shall equal $[47 + X = 56]$ if the Second Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Second Disbursement has not yet been made then X=0.

Y = Grantee's Employment Increment that will be the basis of the Third Disbursement of the Grant as described in section 5 above (i.e. Y=8, and Employment Goals shall equal $[47 + X + Y = 64]$ if the Third Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Third Disbursement has not yet been made then Y=0.

A. R.B. Woodcraft Capital (X179)
July 18, 2013

A. R.B. Woodcraft Capital (X179)

July 18, 2013

Non-Discrimination and Contractor & Supplier Diversity:

Pursuant to New York State Executive Law Article 15-A, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority-and women-owned business in the performance of ESD contracts. For the purpose of this Contract, the Company was encouraged to use its best efforts to include minorities and women in any job opportunities created by the Project, and to solicit and utilize M/WBEs for any contractual opportunities generated in connection with the Project. However, goals were not established. (Note: This project pre-dates mandatory M/WBE goals.)

Statutory Basis – Empire State Economic Development Fund:

1. The project would promote the economic health of New York State by facilitating the creation or retention of jobs or would increase activity within a municipality or region of the State or would enhance or help to maintain the economic viability of family farms.
As a result of this project, the Company will maintain its employment level of 47 and create 17 new jobs.
2. The project would be unlikely to take place in New York State without the requested assistance.
ESD assistance is needed to fill a financing gap. The millwork business is capital intensive and in order to compete effectively the company needed to upgrade its machinery and also invest in its building to improve the efficiencies of its workforce. Without the requested assistance to fill a financing gap the project would not have been feasible.
3. The project is reasonably likely to accomplish its stated objectives and the likely benefits of the project exceed costs.
Evaluated over a seven-year period, project fiscal benefits to New York State government are expected to be \$582,060, which exceed the cost to the State.
4. The requirements of Section 10(g) of the Act are satisfied.
See cover memo.

B. Mohawk Fabric Capital (X300)

July 18, 2013

General Project Plan

Grantee:	Mohawk Fabric Company (the “Company”)
ESD Investment:	A grant of up to \$48,000 to be used for a portion of the cost of machinery and equipment.
Project Location:	96-108 Guy Park Avenue, Amsterdam, Montgomery County
Proposed Project:	Facility expansion and purchase and installation of machinery and equipment
Project Type:	Business expansion involving job retention and creation
Regional Council:	The Mohawk Valley Regional Council has been made aware of this item. The Incentive Offer was accepted in November 2010, predating the Regional Council Initiative. The project is consistent with the Regional Plan to build a diverse, integrated and dynamic economy in the region.
Employment:	Initial employment at time of ESD Incentive Offer: 7 Current employment level: 12 Minimum employment on January 1, 2016: 10
Background:	

Industry – Industrial textile manufacturing mill

Company History – Founded in 1922, Mohawk Fabric is a small, privately held tricot-warp manufacturer producing specialty fabrics of silk, nylon, polyester, rayon and similar fabrics used in apparel, aerospace, automotive, medical industries as well as home décor.

Ownership – The Company is privately owned.

Size – The Company has one facility in Amsterdam, NY.

Market – The Company manufactures high quality textile, leather, and knitting products for the medical, industrial, automotive, and aerospace industries.

ESD Involvement – Historically, the City of Amsterdam has been a hub of manufacturing in Upstate New York. However, over the last decade the City has lost many manufacturers including Coleco Industries, Habro, Mohawk Finishing, Edy Brush, StatoJac, Mohasco, Ward Products, and Universal Custom Millworks. The Company’s

B. Mohawk Fabric Capital (X300)

July 18, 2013

management believed that in order to maintain more control over its supply chain and reduce costs, a complete overhaul was needed to bring the tradition of textiles in line with the age of technology. The expansion required new facilities, equipment, employees and additional capabilities in order to remain competitive in the global textile market. To encourage the Company to proceed with the project, ESD provided an incentive offer for a \$48,000 capital grant, which was accepted in November 2010.

Competition – The Company considered carrying out this project in Canada.

Past ESD Support – This is the Company’s first project with ESD. Mohawk Fabric was Empire Zone certified from 2001 – 2012, but never reported using any tax credits, and was subsequently decertified.

The Project:

Completion – March 2012

Activity – The Company has purchased, renovated and equipped a 14,000-square-foot vacant parcel of land located adjacent to the Company’s Mohawk Valley facility. The construction of the new manufacturing facility began in December of 2010 and was completed in March 2012. In addition to expanding its manufacturing capacity, the Company renovated its existing antiquated facilities into 3,000 square feet of professional office space and energy efficient storage space. The improvements included two new roofs, new windows, and an upgraded HVAC system.

Results – This project will facilitate the Company’s efforts to increase its fabric production and improve its products by using technological advances to manufacture fabrics. The Company will retain 7 jobs and add 3 new jobs which must be retained through January 2016. The Company has exceeded the goal and has already created 5 jobs.

Financing Uses	Amount	Financing Sources	Amount	Percent
Land acquisition	\$10,000	ESD Grant	\$48,000	6%
Site Preparation	120,000	SEFCU - Loan*	300,000	37%
Construction & Renovation	500,000	Private Equity Funding	250,000	31%
Machinery & Equipment	176,000	Company Equity	210,000	26%
Total Project Costs	\$806,000	Total Project Financing	\$806,000	100%

* State Employee Federal Credit Union

B. Mohawk Fabric Capital (X300)

July 18, 2013

Grantee Contact – Dominic Wade, President
96 Guy Park Avenue
Amsterdam, NY 12001
Phone: (518) 842-3090

<u>Project Team</u> –	Origination	Jane Thelen
	Project Management	Beverly Bobb
	Contractor & Supplier Diversity	Denise Ross
	Environmental	Soo Kang

Financial Terms and Conditions:

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the \$48,000 capital grant (\$480) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Company will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. The Company will be required to contribute at least 10% of the total project cost in the form of equity contributed after the Company's written acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Prior to disbursement, the Company must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's payroll, who has worked at the Project Location for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Grantee's payroll, who have worked at the Project Location for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties.

B. Mohawk Fabric Capital (X300)

July 18, 2013

5. Up to \$48,000 will be disbursed to the Grantee in two installments as follows:
 - a) an Initial Disbursement of an amount equal to 50% of the grant (\$24,000) upon completion of the project substantially as described in these materials, documentation of purchase and installation of approximately \$176,000 in machinery and equipment, documentation verifying project expenditures of approximately \$800,000, and documentation of the employment of at least 8 Full-time Permanent Employees at the Project Location (Employment Increment of 1) , assuming that all project approvals have been completed and funds are available; and
 - b) a Second Disbursement of an amount equal to 50% of the grant (\$24,000) will be disbursed upon documentation of the employment of at least 10 Full-time Permanent Employees at the Project Location (Employment Increment of 2), provided Grantee is otherwise in compliance with program requirements.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after November 24, 2010, to be considered eligible project costs. All disbursements must be requested by April 1, 2015.

6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$48,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
7. In consideration for the making of the Grant, Grantee will achieve the Employment Goals set forth in Column B of the table below. If the Full-time Permanent Employee Count for the year prior to the reporting date set forth in Column A of the table below is less than eighty-five percent (85%) of the Employment Goal set forth in Column B (an "Employment Shortfall"), then upon demand by ESD, Grantee shall be obligated to repay to ESD a portion of each disbursement of the Grant, as follows:

The Recapture Amount is based on the time that has lapsed between when the Grant funds were disbursed and when the Employment Shortfall occurred. The Recapture Amount shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:

- (i) 100% of the disbursed amount if the Employment Shortfall occurred in the calendar year that the disbursement was made, or in the first full calendar year after the disbursement was made;

B. Mohawk Fabric Capital (X300)

July 18, 2013

- (ii) 80% of the disbursed amount if the Employment Shortfall occurred in the second full calendar year after the disbursement was made;
- (iii) 60% of the disbursed amount if the Employment Shortfall occurred in the third full calendar year after the disbursement was made;
- (iv) 40% of the disbursed amount if the Employment Shortfall occurred in the fourth full calendar year after the disbursement was made;
- (v) 20% of the disbursed amount if the Employment Shortfall occurred in the fifth full calendar year after the disbursement was made.

The Grantee's number of Full-time Permanent Employees shall be deemed to be the greater of the number as of the last payroll date in the month of December for such year or the average employment for the 12 month period computed by quarter.

Baseline Employment	7
A	B
Reporting Date	Employment Goals
February 1, 2014	7+X+Y
February 1, 2015	7+X+Y
February 1, 2016	7+X+Y

X = Grantee's Employment Increment that will be the basis of the Second Disbursement of the Grant as described in section 5 above (i.e. X=1, and Employment Goals shall equal $[7 + X = 8]$ if the Second Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Second Disbursement has not yet been made then X=0.

Y = Grantee's Employment Increment that will be the basis of the Third Disbursement of the Grant as described in section 5 above (i.e. Y=2, and Employment Goals shall equal $[7 + X + Y = 10]$ if the Third Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Third Disbursement has not yet been made then Y=0.

Environmental Review:

The City of Amsterdam Planning Commission, as lead agency, has completed an environmental review of the proposed project, pursuant to the requirements of the State Environmental Quality Review Act ("SEQRA") and the implementing regulations of the New York State Department of Environmental Conservation. This review found the project would not have a significant effect on the environment. ESD staff reviewed the supporting materials and concurs. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

Non-Discrimination and Contractor & Supplier Diversity:

ESD's Non-discrimination and Contractor and Supplier Diversity policy will apply. Pursuant to New York State Executive Law Article 15-A, ESD recognizes its obligation under the law to

B. Mohawk Fabric Capital (X300)

July 18, 2013

promote opportunities for maximum feasible participation of certified minority- and women-owned business in the performance of ESD contracts. For purposes of this Contract, however, project performance has already been completed, and therefore, Contract goals cannot be established.

Statutory Basis – Empire State Economic Development Fund:

1. The project would promote the economic health of New York State by facilitating the creation or retention of jobs or would increase activity within a municipality or region of the State or would enhance or help to maintain the economic viability of family farms.
As a result of this project, the Company will maintain its employment level of 7 and create 3 new jobs.
2. The project would be unlikely to take place in New York State without the requested assistance.
Without ESD assistance to lower costs and make the Company's facility competitive with one in Canada, the cost would have been too high to make the project feasible in New York.
3. The project is reasonably likely to accomplish its stated objectives and the likely benefits of the project exceed costs.
Evaluated over a seven-year period, project fiscal benefits to New York State government are expected to be \$344,126, which exceed the cost to the State.
4. The requirements of Section 10(g) of the Act are satisfied.
See cover memo.

Attachment:

Resolution

July 18, 2013

Amsterdam (Mohawk Valley Region – Montgomery County) – Mohawk Fabric Capital–
Empire State Economic Development Fund – General Development Financing (Capital
Grant) – Determination of No Significant Effect on the Environment

RESOLVED, that based on the materials submitted to the Directors with respect to the Mohawk Fabric Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *



FOR CONSIDERATION

July 18, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Statewide – Restore New York Communities – Capital Grant

REQUEST FOR: Land Use Improvement Findings and Determinations Pursuant to Sections 10 (c), 10 (g) and 16-n of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions; Determination of No Significant Effect on the Environment

General Project Plan

I. Project Summary

	Grantee	Project Name	Proj #	Grant	Village, Town, City	County
A	City of Watertown	Watertown – RESTORE III – Woolworth Building	W847	\$2,500,000	Watertown	Jefferson
		TOTAL		\$2,500,000		

II. Program Description

A. Background

In the 2006-07 and 2007-08 enacted New York State Budgets, ESD received a \$300 million appropriation for the Restore New York’s Communities initiative (“Restore NY” or the “Program”), which was allocated as follows: up to \$50 million in FY 06-07, \$100 million in FY 07-08, and \$150 million in FY 08-09. The purpose of the Program is to revitalize urban areas and stabilize neighborhoods as a means to attract residents and businesses. Restore NY funds municipally sponsored projects for the demolition, deconstruction, rehabilitation, or reconstruction of vacant, obsolete or surplus structures.

On October 27, 2006, the successful Restore NY Round 1 award winners were announced, and included 79 different projects in 55 localities. The range of selected projects is large and diverse; and to the extent possible, funding was awarded in a geographically proportionate manner.

Special consideration was given to projects located in Brownfield Opportunity Areas and Empire Zones; those affected by flooding in June 2006; and communities with severe economic distress or dislocation.

The 64 Restore NY Round 2 award winners were announced on January 15, 2008. Projects were chosen with the intent of connecting community initiatives with economic development goals to serve as catalysts for future development and growth. Priority was given to those projects that would serve to revitalize urban cores, leverage private investment and bring future business expansion to New York's communities.

On September 2, 2009, Governor David A. Paterson announced the award of 79 projects for Restore NY Round 3. These projects span across the New York State in 74 localities as part of the continued effort to revitalize urban areas, stabilize neighborhoods and invite renewed investment in economically distressed communities.

B. The Project

ESD will make a grant to the Grantee for the purpose of enhancing the Grantee's capacity to provide support in revitalizing urban areas and stabilizing neighborhoods as a means to attract residents and businesses in New York State. ESD will enter into an agreement with each Grantee that will stipulate the manner in which funds will be disbursed.

The attached project schedule provides a more detailed description of the recommended project.

III. Statutory Basis

Restore New York Communities Findings:
Land Use Improvement Project

1. The area in which the project is to be located is a substandard or unsanitary area, or is in danger of becoming a substandard or unsanitary area and tends to impair or arrest sound growth and development of the municipality.
See attached Project Schedule.

2. The project consists of a plan or undertaking for the clearance, replanning, reconstruction and rehabilitation of such area and for recreational and other facilities incidental or appurtenant thereto.
See attached Project Schedule.

3. The plan or undertaking affords maximum opportunity for participation by private enterprise, consistent with the sound needs of the municipality as a whole.
See attached Project Schedule.
4. There are no families or individuals displaced from the Project area.
No residential relocation is required because there are no families or individuals residing on the site.

IV. Environmental Review

Unless otherwise noted on a project summary, ESD staff has determined that the project described in Schedule A constitutes a Type II action as defined by the New York State Environmental Quality Review Act ("SEQRA") and the implementing regulations for the New York State Department of Environmental Conservation. No further environmental review is required in connection with the project.

V. Non-Discrimination and Contractor & Supplier Diversity

Pursuant to New York State Executive Law Article 15-A, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority and women-owned businesses in the performance of ESD contracts. Accordingly, ESD's Non-discrimination and Contractor & Supplier Diversity policies will apply to the project.

Unless otherwise specified in the project summary, grantees shall use their "Good Faith Efforts" to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation Goal of 23% related to the total value of ESD's funding. This shall include a Minority Business Enterprise ("MBE") Participation goal of 13% and a Women Business Enterprise ("WBE") Participation goal of 10%. Grantee shall use Good Faith Efforts to solicit and utilize MWBEs for any contractual opportunities generated in connection with the project and to include minorities and women in any job opportunities created by the project.

VI. ESD Employment Enforcement Policy

ESD's Employment Enforcement Policy will not apply since the projects will not directly create or retain jobs.

VII. ESD Financial Assistance Subject to Availability of Funds and Additional Approval

The provision of ESD financial assistance is contingent upon the availability of funds and the approval of the State Division of the Budget.

VIII. Additional Submissions to Directors

Map

Resolutions
Project Summary

July 18, 2013

Statewide – Restore NY Communities – Capital Grant – Land Use Improvement Findings and Determinations Pursuant to Sections 10 (c), 10 (g) and 16-n of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Restore NY Communities Capital Grant Project (the “Project”), the Corporation hereby determines pursuant to Sections 16-n and 10 of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that

1. The area in which the project is to be located is a substandard or unsanitary area, or is in danger of becoming a substandard or unsanitary area and tends to impair or arrest sound growth and development of the municipality.
2. The project consists of a plan or undertaking for the clearance, replanning, reconstruction and rehabilitation of such area and for recreational and other facilities incidental or appurtenant thereto.
3. The plan or undertaking affords maximum opportunity for participation by private enterprise, consistent with the sound needs of the municipality as a whole.
4. There are no families or individuals displaced from the Project area; and be it further

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project Plan (the “Plan”) for the Project submitted to this meeting, together with such changes therein as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, a copy of which Plan, together with such changes, are hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, that upon written findings of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written findings being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make a to grant to the party and for the amount listed below from Restore NY Communities, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration of the grant; and be it further

RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

Restore NY Communities – Project Summary Table

	Project Name	Proj #	Grantee	Assistance up to
	Restore NY Communities Projects			
A	Watertown – RESTORE III – Woolworth Building	W847	City of Watertown	\$2,500,000
			TOTAL	\$2,500,000

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

* * *

A. Watertown – RESTORE III – Woolworth Building (W847)

July 18, 2013

General Project Plan

- Grantee:** City of Watertown (the “City” or “Watertown”)
- ESD Investment:** A grant of up to \$2,500,000 to be used for a portion of the cost of construction and renovations.
- Project Location:** 11 Public Square, Watertown, Jefferson County
- Proposed Project:** The rehabilitation and reconstruction of the vacant Woolworth building into a mixed use facility
- Project Type:** Rehabilitation of a property in downtown Watertown
- Regional Council:** All RESTORE III awards were announced by 2009, predating the Regional Council initiative. The North Country Regional Council has been made aware of this item. The project is consistent with the North Country Regional Plan to increase commerce, promote economic development and job creation.

Background:

Grantee History – Incorporated as a City in 1869, Watertown was a site for early settlers from New England. The settlers laid the ground work for a cultural center in downtown Watertown and created a small hamlet that is now known as Public Square. Eventually, the area was deeded for public use, and not long after, the downtown area was dotted with hotels, businesses and residences.

The six-story Woolworth Building opened its doors in 1921 and is an historic building in the Public Square Historic District. In 2007, a declining economy and poor maintenance led to the building’s closure. Left unoccupied, the building fell into an advanced state of deterioration.

ESD Involvement – For years, the City has been working to redevelop its downtown and revive the heart of the city. The rehabilitation of the Woolworth building will serve the public by providing much needed housing to local residents in the Watertown area. In April 2009, the City submitted an application for ESD’s third round of funding for the Restore NY Communities Initiative. The City was awarded \$2,500,000 in grant funds in October 2009 to help Watertown revitalize its downtown, provide housing increase commerce, promote economic development, and restore an historic building in a State and National Register Historic District. The Restore NY grant is needed to fill the financing gap if the project is to move forward.

A. Watertown – RESTORE III- Woolworth Hotel (W847)

July 18, 2013

Past ESD Support – Since 2000, the City of Watertown has received \$4,136,604 in ESD grant funds for 18 projects. The projects are complete and funds have been fully disbursed.

ESD’s financial support to the City of Watertown in the last five years is summarized in the chart below.

Program	Project #	Amount	Date Start (ESD Directors’ Approval date)	Date End (Project Completion: Contract Expiration or Job Requirement)	Purpose
RESTORE NY I	V014	\$1,550,000	May 2008	April 2011	Capital Grant
RESTORE NY II	W073	\$1,006,147	May 2008	February 2011	Capital Grant
UCDP	W168	\$75,000	August 2008	March 2012	Working Capital
Upstate Regional Blueprint	W002	\$250,000	October 2011	July 2012	Capital Grant

The Project:

Completion – December 2014

Activity – The Woolworth Building rehabilitation project represents a \$16 million investment in an abandoned building to convert it to commercial and residential uses. Scheduled to commence in August 2013, the project will renovate and develop 11,100 square feet of commercial space on the ground floor, with the potential for another 10,700 square feet in the basement. The upper floors of the building will include 50 rental units, 35 one-bedroom units, and 15 two-bedroom units for persons and families of low-to-moderate income; one two-bedroom unit will be set aside for the superintendent. A 24-hour laundry room will be located in the building along with an exercise room and a flex room for private events. The new commercial and residential units provide people an opportunity to move into the downtown area to create a vibrant environment.

Results – The project will revitalize the community and ease the demand for affordable housing in the City of Watertown. All of the units will be leased to tenants with household incomes less than or equal to 60% of the area median income. At least ten units will be leased and occupied by persons or families whose household incomes are less than or equal to 50% of the area median income.

A. Watertown – RESTORE III- Woolworth Hotel (W847)

July 18, 2013

Financing Uses	Amount	Financing Sources	Amount	Percent
Acquisition	\$450,000	ESD Grant	\$2,500,000	15%
Soft Costs	1,870,247	LITHC Equity*	9,537,000	59%
Construction	10,405,203	KeyBank	500,000	3%
Development Fee	2,022,994	NYS HCR Housing Trust Fund	750,000	5%
Project Contingency	1,122,545	Developer's Fee	200,473	1%
Working Capital	160,000	Historic Tax Credits	2,763,412	17%
Project Reserves	219,896			
Total Project Costs	\$16,250,885	Total Project Financing	\$16,250,885	100%

*9% Low Income Housing Tax Credit

Grantee Contact: Kenneth Mix, Planning & Community Development Coordinator
 245 Washington Street
 Watertown, NY 13601
 Phone: (315)785-7730

Project Team:

Project Management	Beverly Bobb
Contractor & Supplier Diversity	Dianna Kinnicutt
Design & Construction	Marty Piecuch
Environmental	Soo Kang

Financial Terms and Conditions:

1. Upon execution of the grant disbursement agreement, the City will reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The City will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. The City will ensure the contribution of at least a 10% match of the grant amount to the Project.
4. Up to \$2,500,000 will be disbursed to the Grantee, no more frequently than quarterly, in proportion to ESD's funding share, in compliance with specific Design and Construction Requirements set forth in the Grant Disbursement Agreement for the Woolworth Building Project and per review of all requisitions during the course of design and construction, provided Grantee is otherwise in compliance with the terms and condition of this Agreement. The final 10% of the grant will be disbursed to the Grantee upon completion of the project as evidenced by a certificate of occupancy.

A. Watertown – RESTORE III- Woolworth Hotel (W847)

July 18, 2013

Payment will be made upon presentation to ESDC of an invoice and such other documentation as ESDC may reasonably require, in the form attached to this Agreement as Exhibit F and its attachments. Expenses must be incurred on or after May 4, 2009, to be considered reimbursable project costs. Previously expended funds may be applied toward match requirements retroactive to June 23, 2006, when the Restore New York Legislation was enacted.

5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$2,500,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the City and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
6. If the Grantee is not the owner of the Project, then the Grantee shall prohibit, for five years from the date of the initial disbursement of Grant funds, any transfer of the Project in whole or in part, by sale, lease, or conveyance of any interest in or with respect to the Project except (a) transfers of minor interests in the Project site, such as utility easements and limited rights-of-way, and (b)(i) the arms-length basis sale or lease of individual condominium units in the ordinary course of business for a condominium development and (ii) the arms-length basis residential or commercial lease in the ordinary course of business for a commercial, residential, or mixed-use rental development. In the event that such a prohibited transfer occurs within such five-year period, the Grantee shall pay to ESD, promptly upon ESD's written demand therefore, the applicable amount indicated below.

The Recapture Amount is based on the time that has lapsed between when the Grant funds were disbursed and when the transfer occurred. The Recapture Amount shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:

- (i) 100% of the disbursed amount if the transfer occurred in the calendar year that the disbursement was made, or in the first full calendar year after the disbursement was made;
- (ii) 80% of the disbursed amount if the transfer occurred in the second full calendar year after the disbursement was made;
- (iii) 60% of the disbursed amount if the transfer occurred in the third full calendar year after the disbursement was made;
- (iv) 40% of the disbursed amount if the transfer occurred in the fourth full calendar year after the disbursement was made;
- (v) 20% of the disbursed amount if the transfer occurred in the fifth full calendar year after the disbursement was made.

A. Watertown – RESTORE III- Woolworth Hotel (W847)

July 18, 2013

Design and Construction

Design and Construction (“D&C”) staff will review project plans, scope, budget and schedule for the Woolworth Building Project. D&C will visit the 4842 North Jefferson Street site and attend project meetings at its option, review requisitions and recommend payment when all D&C requirements have been met.

Environmental Review:

The City of Watertown, as lead agency, has completed an environmental review of the proposed project pursuant to the requirements of the State Environmental Quality Review Act (“SEQRA”) and the implementing regulations of the New York State Department of Environmental Conservation. This review found the project to be a Type I Action, which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on July 1, 2013. ESD staff reviewed the Negative Declaration and supporting materials and concurs. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

Due to the building's historic significance as a contributing building in the Public Square Historic District, which is listed on the New York State and National Registers of Historic Places, ESD has confirmed that the project sponsor consulted with the New York State Office of Parks, Recreation and Historic Preservation (“OPRHP”) pursuant to Section 14.09 of the New York State Parks, Recreation and Historic Preservation Law. No further consultation is required, subject to a Letter of Understanding.

Non-Discrimination and Contract & Supplier Diversity:

ESD’s Non-discrimination and Contractor Diversity policy will apply to the Project. The Grantee shall be required to use “good faith efforts” to achieve an overall Minority and Women Business Enterprise (“MWBE”) participation goal of 23% related to the total value of ESD’s funding, which includes a Minority Business Enterprise (“MBE”) participation goal of 13% and a Women Business Enterprise (“WBE”) participation goal of 10%, and to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project.

Statutory Basis – Restore NY Communities:

Land Use Improvement Project Findings

1. The area in which the project is to be located is a substandard or insanitary area, or is in danger of becoming a substandard or insanitary area and tends to impair or arrest sound growth and development of the municipality.

The project involves the rehabilitation of a vacant, abandoned, commercial and residential building, which has been deemed by the City to arrest sound growth and development in the area.

A. Watertown – RESTORE III- Woolworth Hotel (W847)

July 18, 2013

2. The project consists of a plan or undertaking for the clearance, replanning, reconstruction and rehabilitation of such area and for recreational and other facilities incidental or appurtenant thereto.

The project involves the rehabilitation or reconstruction of a site that the City has included in its overall master development plan to expand opportunities that stimulate a balance of public and private growth.

3. The plan or undertaking affords maximum opportunity for participation by private enterprise, consistent with the sound needs of the municipality as a whole.

The City published a property assessment list and held a public hearing on the project at the time of application. The City will ensure compliance with all applicable local laws and regulations.

4. The requirements of Section 10(g) of the Act are satisfied.

There are no families or individuals displaced from the Project area.

July 18, 2013

Watertown (North Country Region – Jefferson County) – Watertown – RESTORE III –
Woolworth Hotel – Determination of No Significant Effect on the Environment

RESOLVED, that based on the material submitted to the Directors with respect to the Watertown - Restore NY III - Woolworth Hotel Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

FOR CONSIDERATION

July 18, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Oriskany (Mohawk Valley Region – Mohawk County) – Cornell Cooperative Extension Working Capital – Economic Development Purposes Fund (Working Capital)

REQUEST FOR: Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Make a Grant and to Take Related Actions

I. Project Summary

Grantee: Cornell Cooperative Extension of Oneida County (“CCEOC” or the “Organization”)

ESD* Investment: A grant of up to \$557,570 to be used for a portion of the cost of contracting an Export Agent (the “Firm”) to oversee a direct marketing campaign to maximize the export of NYS agriculture and food products.

* The New York State Urban Development Corporation doing business as Empire State Development (“ESD” or the “Corporation”)

Project Location: 121 Second Street, Oriskany, Mohawk County

Proposed Project: Monitoring of an export agent and the execution of a direct marketing campaign to increase exports of statewide agricultural and food products.

Project Type: Business Marketing and Exports

www.esd.ny.gov

Regional Council: The Mohawk Valley Regional Council has been made aware of this item. The project is consistent with the Regional Plan to leverage business, industry and employment concentrations with high growth potential include agriculture and food processing.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Staff	\$197,442	
Office Supplies	5,400	
Computers, Printers, Software	5,000	
Travel	30,000	
Extension part time commitments	30,000	
Surveys, Data Analysis	25,000	
Contracted Services	<u>332,000</u>	
Total Project Costs	<u>\$624,842</u>	
<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD – Grant	\$557,570	89%
CCEOC Equity	<u>67,272</u>	<u>11%</u>
Total Project Financing	<u>\$624,842</u>	<u>100%</u>

III. Project Description

A. Company

Industry: Cornell Cooperative Extension (“CCE”) is New York State’s land-grant institution comprised of 3 endowed and 4 statutory colleges (Statutory: Colleges of Agriculture and Life Sciences (“CALs”), Human Ecology (“CHE”), Industrial and Labor Relations (“ILR”), and Veterinary Medicine (“Vet”). CCE connects the research-based knowledge of Cornell to individuals, families, businesses and communities. CCEOC is CCE’s Oneida County location.

Company History: The United States Congress passed legislation in 1862 which provided for the sale of government-owned land to universities with a charge of broad-based education and public benefit. Extension systems were established to “extend” the resources of those universities to a wide range of citizens. Since 1865, as New York’s land-grant institution, Cornell has the privilege and responsibility of addressing state and national needs through teaching, research and extension. Cornell’s land-grant mission is primarily, though not exclusively, realized through the work of the CALs, CHE, ILR, and Vet Colleges.

Ownership: Cornell Cooperative Extension is a partnership among federal, state, and local governments, the national land grant system, and Cornell

University.

- Size:** Cornell Cooperative Extension has 56 offices across New York State including the Oneida County office. Approximately 170 Cornell-employed faculty and academic staff work collaboratively with 500 locally-employed professional extension educators aiming to enhance economic well-being and quality of life all over the state.
- Market:** There are 103 Land Grant Universities nationwide, with at least one in each state, set up under the Morrill Acts of 1862, 1890, and/or 1994.
- ESD Involvement:** ESD is New York State’s primary agency for promoting competitiveness and fostering economic activity abroad in order to expand the presence of State businesses around the world. Agriculture is one of New York State’s primary industrial clusters and it is a national leader in many agricultural products. It is in the interest of the state to facilitate opportunities for the agriculture industry to find more markets, particularly abroad, to sell its products. ESD’s grant will fund a portion of the cost of contracting an export agent and executing agricultural business marketing campaign to maximize products exports to China.
- Past ESD Support:** Over the past 10 years, ESD has approved five grants to the Cornell Cooperative Extension totaling \$254,000. Four of the projects are complete and \$154,000 has been disbursed.

B. The Project

- Completion:** January 2015
- Activity:** Cornell Cooperative Extension of Oneida County will lead an 18-month concerted statewide effort to maximize agricultural and food exports. This project will help to develop exports of unique, differentiated New York State products, including both fresh and processed products, to the emerging middle class and affluent consumers of China. CCEOC proposes to launch the project with an 8-month contract with Safe Source Trading (“SST”). SST will be responsible for assisting CCEOC with introducing New York agriculture and food producers to the market opportunity in China and to assist qualified producers in developing that opportunity through the most effective means.
- Results:** The first 8-month period of the project will result in generating orders from Chinese customers with a value to New York State producers of \$500,000 to \$750,000. CCEOC will build on the base of experience and connections developed in the first 8-month period to expand this export

opportunity into a sustained multi-million dollar stream of profitable export revenues for New York State producers.

Another key outcome from this project will be a database of New York State's small to medium food producers and processors. Currently, no such database exists at any state agency. Such a database will help generate future export growth to other countries and will also facilitate domestic distribution and interstate commerce.

Economic Growth

Investment Project: This project is an Economic Growth Investment project that does not involve permanent job commitments or construction spending. While such projects generate significant long term fiscal and economic benefits, such benefits are not estimated within the short-term period used in the benefit cost analysis. Therefore, no benefit cost analysis is provided.

Grantee Contact: Jim Manning, Farm Business Management Educator
121 Second Street
Oriskany, NY 13424
Phone: (315) 272-9529

ESD Project No.: Y608

Project Team:	Project Management	Glenda Wenerski
	Contractor & Supplier Diversity	Denise Ross
	Finance	Ross Freeman
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. The Organization will demonstrate no materially adverse changes in its financial condition prior to disbursement.
2. The Organization will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Organization's written acceptance of ESD's offer. Equity is defined as cash injected into the project by the Organization or by investors, and should be auditable through Organization financial statements or Organization accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
3. Up to \$557,570 will be disbursed to the Grantee in four installments as follows:
 - a) an Initial Disbursement of an amount equal to 27% of the grant (\$150,000) will be disbursed to the Grantee as an advance upon documentation of the execution of a contract between CCEOC and the Firm related to the project as described in these materials, assuming that all project approvals have been completed and funds are

available;

- b) a Second Disbursement of an amount equal to 27% of the grant (\$150,000) will be disbursed to the Grantee upon documentation of paid invoices for project costs totaling at least \$100,000 by CCEOC to the Firm;
- c) a Third Disbursement of an amount equal to 27% of the grant (\$150,000) will be disbursed to the Grantee upon documentation of additional paid invoices for project costs totaling at least \$150,000 (\$250,000 cumulatively) by CCEOC to the Firm.
- d) a Fourth Disbursement of an amount equal to 9% of the grant (\$50,000) will be disbursed to the Grantee upon documentation of additional paid invoices for project costs totaling at least \$150,000 (\$400,000 cumulatively) by CCEOC to the Firm.
- e) a Fifth Disbursement of an amount equal to 10% of the grant (\$57,570) will be disbursed to the Grantee upon completion of the project substantially as described in these materials, and submission of a complete report and or guide including FAQs on the exact steps needed to replicate this effort and access this market in the future. The Fifth Disbursement of the Grant shall not be disbursed by ESD until all of the tasks have been completed to ESD's satisfaction.

Payments will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require assuming that all project approvals have been completed and funds are available. All project expenditures must have been incurred on or after July 22, 2013, to be considered eligible project costs.

- 4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$557,570, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

IV. Statutory Basis – Economic Development Purposes Fund

The project was authorized in the 2013-2014 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

V. Environmental Review

ESD staff has determined that the project does not constitute an action as defined by the New York State Environmental Quality Review Act ("SEQRA") and the implementing regulations of the New York State Department of Environmental Conservation. No further environmental review is required in connection with the project.

VI. Non-Discrimination and Contractor & Supplier Diversity

Pursuant to New York State Executive Law Article 15-A, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority and women-owned businesses in the performance of ESD projects. Accordingly, ESD's Non-Discrimination and Supplier Diversity policy will apply to the project. In the case of training, global export market service and productivity improvement projects, the grantee and/or beneficiary companies, as applicable, shall use their Good Faith Efforts to provide for the meaningful participation of minorities and women in any job or training opportunities created by the project and to solicit and utilize minority and women-owned businesses for any contractual opportunities generated in connection with the project.

IX. ESD Financial Assistance Subject to Availability of Funds and Additional Approval

The provision of ESD financial assistance is contingent upon the availability of funds and the approval of the State Division of the Budget.

X. Additional Submissions to Directors

Resolutions

New York State Map

Project Finance Memorandum

July 18, 2013

Oriskany (Mohawk Valley Region – Mohawk County) – Cornell Cooperative Extension Working Capital – Economic Development Purposes Fund –(Working Capital) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Make a Grant and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Cornell Cooperative Extension Working Capital – Economic Development Purposes Fund – Business Marketing and Exports (Working Capital) Project (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Cornell Cooperative Extension of Oneida County a grant for a total amount not to exceed Five Hundred Fifty Seven Thousand Five Hundred and Seventy Dollars (\$557,570) from the Economic Development Purposes Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration of the grant; and be it further

RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

RESOLVED, that the President and Chief Executive Officer or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

* * *

FOR CONSIDERATION

July 18, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award – Rochester (Finger Lakes Region – Monroe County) – High Blood Pressure Collaborative Working Capital – Economic Development Purposes Fund (Working Capital)

REQUEST FOR: Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Make a Grant and to Take Related Actions

I. Project Summary

Grantee: Finger Lakes Health Systems Agency (“FLHSA”)

ESD* Investment: A grant of up to \$300,000 to be used for a portion of the cost of the project’s working capital expenditures, including but not necessarily limited to salaries, benefits, rent, insurance, utilities, travel, and meeting expenses.

* The New York State Urban Development Corporation doing business as Empire State Development (“ESD” or the “Corporation”)

Project Locations: Rochester, Monroe County including Zip Codes 14605, 14608, 14611, 14613, and 14621

Proposed Project: Provide individualized health counseling to individuals with difficult-to-control high blood pressure.

Project Type: Health systems agency program to improve health outcomes.

Regional Council: The Incentive Offer was accepted in July 2012. The project is consistent with the Regional Plan’s goals of improving quality of life, which includes

healthcare, and recognizes that wellness and rising health care costs have become significant issues to employers. Additionally, medical innovation has been one of the region’s core competencies.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Salaries/Benefits for High Blood Pressure Program Staff	\$805,146
Rent, Insurance, Telephone	50,560
Equipment Purchases or Rentals	15,265
Training	8,800
Travel/Meeting Expenses	9,471
Supplies/Printing	2,477
Consultants	12,500
Purchased Services (Kiosks, Marketing)	<u>174,411</u>
Total Project Costs	<u>\$1,078,630</u>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD – Grant	\$300,000	28%
CDC – Grant	107,000	10%
HEAL 19 – Grant*	170,000	16%
DOH – Healthy Places Grant	65,000	6%
Other Business Contributions	120,000	11%
Grantee Equity**	<u>316,630</u>	<u>29%</u>
Total Project Financing	<u>\$1,078,630</u>	<u>100%</u>

* HEAL is a health information technology grant program of the NYS Department of Health (“DOH”) and the Dormitory Authority of NYS.

** The source of the Grantee’s Equity is the Wegman Family Charitable Foundation.

III. Project Description

A. Grantee

Industry: The High Blood Pressure Collaborative (the “Collaborative”) is a partnership of the Finger Lakes Health Systems Agency, the Rochester Business Alliance and numerous health and wellness stakeholders. The Collaborative is designed to dramatically reduce hypertension in a target area within the City of Rochester. FLHSA employs community health workers from the University of Rochester’s Center for Community Health.

Grantee History: Formed in 1980, FLHSA operates a variety of health programs involving many community stakeholders. Besides the Collaborative, its programs include the African-American Health Coalition, Latino Health Coalition, Coalition to Prevent Lead Poisoning, Community Health 2020 Commission on System Performance, Community Technology Assessment Advisory Board, Healthy Kids Coalition, and the Partnership on the Uninsured, each with its own stakeholders, focus and mission within the region.

Ownership: The Grantee is a not-for-profit corporation.

Size: All facilities are located in Rochester, NY. FLHSA has 40 employees, of which approximately six full-time equivalents are assigned to the Collaborative. In addition, FLHSA's partner in this initiative, the University of Rochester Center for Community Health, employs approximately five full-time equivalent workers.

ESD Involvement: In recent years, wellness and rising health care costs have become significant issues to employers. It is estimated that in the Finger Lakes Region, one third of all adults, or approximately 176,000 people, is diagnosed with high blood pressure, and an additional one third is "pre-hypertensive," or having a borderline condition. Aggregate spending in the Region on patients with high blood pressure and related conditions is \$305 million annually. Most at-risk for high blood pressure and its implications are African Americans, who suffer hypertension at twice the rate of Caucasians; Latinos, who suffer high blood pressure at 1.4 times the rate of Caucasians; and seniors, often those with low-incomes struggling with economic self-sufficiency. Other funding for the project was provided by the Wegman Family Charitable Foundation, New York State HEAL program and Department of Health funds, and from corporate contributions. ESD's assistance was needed to fill a funding gap to allow the project to proceed.

Competition: N/A

Past ESD Support: This is the Grantee's first project with ESD.

B. The Project

Completion: June 2013

Activity: The project trained and deployed Blood Pressure Advocates (the "Advocates"), similar to community health workers, in four Rochester medical clinics that serve minority and low socio-economic status patients in the five zip-code project area. Along with clinical staff, the Advocates interacted directly with people struggling to control high blood pressure. The Advocates identified barriers, set personal goals, measured

progress, and made connections to other community resources. The project began in February 2012 and was completed in June 2013.

Beginning in 2013, FLHSA entered into contractual arrangements with area hospitals, insurers and businesses to construct a financially sustainable model to sustain the high blood pressure initiative. As a result, a surcharge will be added to certain hospital discharges to sustain the program.

Upon completion of the project, the Grantee will furnish a final report describing the impact and effectiveness of the project.

Results: The project impacts quality of life in the area by improving health care, health outcomes and workforce health. The environment for economic development is impacted directly through a healthier, more productive work force. The Collaborative is part of the initiative to make the Finger Lakes Region the healthiest region in America by 2020, a goal of the University of Rochester's Medical Center.

The project is expected to create up to 16 jobs for health advocates, who are medical professionals trained to work with patients deemed medically most at-risk with high blood pressure levels.

Grantee Contact: Al Bradley, Program Manager
1150 University Avenue
Rochester, NY 14607
Phone: (585) 224-3109

ESD Project No.: X808

Project Team:	Origination	Robert McNary
	Project Management	Edward Muszynski
	Contractor & Supplier Diversity	Vikas Gera
	Finance	Jonevan Hornsby
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Grantee shall pay a commitment fee of 1% of the \$300,000 working capital grant (\$3,000).
2. The Grantee will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. The Grantee will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Grantee's acceptance of ESD's offer. Equity

is defined as cash injected into the project by the Grantee or by investors, and should be auditable through Grantee financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.

4. Up to \$300,000 will be disbursed to the Grantee, for working capital purposes, upon completion of the project substantially as described in these materials, documentation of project costs totaling \$1,078,630, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after February 1, 2012, to be considered eligible project costs. All disbursements must be requested by April 1, 2014.

6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$300,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

IV. Statutory Basis – Economic Development Purposes Fund

The project was authorized in the 2011-2012 New York State budget and reappropriated in the 2012-2013 and 2013-2014 New York State budgets. No residential relocation is required as there are no families or individuals residing on the site.

V. Environmental Review

ESD staff has determined that the project does not constitute an action as defined by the New York State Environmental Quality Review Act (“SEQRA”) and the implementing regulations of the New York State Department of Environmental Conservation. No further environmental review is required in connection with the project.

VI. Non-Discrimination and Contractor & Supplier Diversity

ESD’s Non-discrimination and Contractor and Supplier Diversity policy will apply to the project. The Grantee shall be required to solicit and utilize New York State certified Minority-owned and Women-owned Business Enterprises (“MWBEs”) for any contractual opportunities generated in connection with the project and to use good faith efforts to achieve an overall MWBE Participation Goal of 20% related to the total value of ESD’s funding.

VII. ESD Employment Enforcement Policy

ESD's Employment Enforcement Policy will not apply since the project will not directly create or retain jobs.

VIII. ESD Financial Assistance Subject to Availability of Funds and Additional Approval

The provision of ESD financial assistance is contingent upon the availability of funds and the approval of the State Division of the Budget.

IX. Additional Submissions to Directors

Resolutions

New York State Map

Project Finance Memorandum

July 18, 2013

Rochester (Finger Lakes Region – Monroe County) – High Blood Pressure Collaborative Working Capital – Economic Development Purposes Fund (Working Capital) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Make a Grant and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the High Blood Pressure Collaborative Working Capital – Economic Development Purposes Fund (Working Capital) Project (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Finger Lakes Health Systems Agency a grant for a total amount not to exceed Three Hundred Thousand Dollars (\$300,000) from the Economic Development Purposes Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration of the grant; and be it further

RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

RESOLVED, that the President and Chief Executive Officer or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

* * *



FOR CONSIDERATION

July 18, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award – Priority Project – Various Counties (Finger Lakes Region) – PathStone Corporation Revolving Loan Fund Capital – Regional Council Capital Fund (Capital Grant)

REQUEST FOR: Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

General Project Plan

I. Project Summary

Grantee: PathStone Corporation (“PathStone”)

Beneficiary Organizations: Businesses and organizations throughout the Finger Lakes Region

ESD* Investment: A grant of up to \$2,000,000 to be used for a portion of the cost of a loan fund for microenterprises and small businesses.

* The New York State Urban Development Corporation doing business as Empire State Development (“ESD” or the “Corporation”)

Project Locations: Various locations, within the nine-county Finger Lakes Region

Proposed Project: Establish a regional revolving loan fund

Project Type: Loan fund to provide access to capital to microenterprises and small businesses

Regional Council: In 2012, the Finger Lakes Regional Economic Development Council listed this project as one of its priority projects for the region, specifically noting that providing access to capital for the region’s businesses was a critical need that this project could assist. The Regional Council Incentive Offer was accepted in April 2013.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>		
Loan Fund	<u>\$3,800,000</u>		
Total Project Costs	<u>\$3,800,000</u>		
<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>	<u>Rate/Term/Lien</u>
ESD – Grant	\$2,000,000	53%	
SBA* Microloan Program – Loan	500,000	13%	2.375%/7 yrs/unsecured
USDA** Rural Microloan Assistance Program – Loan	200,000	5%	2%/17 yrs/ unsecured
USDA** Intermediary Relending Program – Loan	700,000	18%	1%/12 yrs/unsecured
Grantee Equity***	<u>400,000</u>	<u>11%</u>	
Total Project Financing	<u>\$3,800,000</u>	<u>100%</u>	

- * U.S. Small Business Administration
- ** U.S. Department of Agriculture
- ***Sources of equity are Grantee’s retained earnings, equity provided by borrowers, and an unrestricted Federal community development financial institution (“CDFI”) grant.

III. Project Description

A. Grantee

Industry: PathStone is a community development and human service organization that provides services to low-income families and economically depressed communities. PathStone builds family and individual self-sufficiency by strengthening farm workers and rural and urban communities. It promotes social justice through programs and advocacy. In addition, it partners with a variety of regional organizations to implement training and technical assistance programs, credit underwriting, and capital offerings.

Grantee History: PathStone was founded in 1969. Formerly called Rural Opportunities, Inc., it adopted the name PathStone in 2008 to reflect its broader mission beyond rural and farm worker communities.

Ownership: The Grantee is a not-for-profit corporation.

Size: The Grantee has offices throughout New York, Pennsylvania, New Jersey, Ohio, Indiana, Virginia, Vermont, and Puerto Rico.

Market: PathStone will focus on microenterprises and small businesses in the Finger Lakes Region that add value to the local economy such as:

- Small farm wineries with a link to agro-tourism and locally distributed crafts;
- Small contractors that will benefit local construction distributors or small mills;
- Organic dairies requiring transportation and distribution of a limited shelf-life product;
- Services to other small businesses such as cleaning services or providers of garments or uniforms; and
- Transportation, location support or specialized outlets that respond to urban food deserts by stimulating distribution of local food products in neighborhoods that lack retail outlets.

ESD Involvement: As a result of the Governor’s Regional Economic Development Council Initiative, PathStone was awarded \$2,000,000 through the Consolidated Funding Application (“CFA”) Round 2 process to fund a regionally significant revolving loan fund.

Competition: N/A

Past ESD Support: In the past five years, ESD has provided PathStone or its affiliates with three grants as summarized in the following chart:

Program	Project #	Amount	ESD Approval Date	Final Disbursement Date (project is complete unless noted)	Purpose
Small Business Revolving Loan Fund	X292	\$1,000,000	November 2010	April 12, 2013	Working Capital - Loan fund
Community Development Financial Institution	X521	\$100,000	October 2011	Not yet completed	Working Capital - Loan fund
	Y210	\$40,000	February 2013	Not yet completed	Working Capital - Loan fund

B. The Project

Completion: April 2017

Activity: Pathstone will operate a regional revolving loan fund designed to address the needs of microenterprises and small businesses. Such businesses use local assets and resources and represent a major segment of the local job market. The project will offer loans to address specific barriers such as weak collateral, high credit-card and other existing debt, and the inability to provide production guarantees/accurate financial projections to conventional lenders.

Lending will be done by PathStone Enterprise Center, a Community Development Financial Institution (“CDFI”), which has previously administered loan funds capitalized by ESD.

The \$2,000,000 grant from ESD will leverage an additional \$1,800,000 from an SBA microloan fund, the USDA Rural Micro Assistance Program (“RMAP”), the USDA Intermediary Relending Program (“IRP”), and PathStone’s equity. Leveraged funds will be disbursed proportionally with ESD funds to enhance the total pool of available capital and increase the average total loan size.

Results: Up to 25 microloans and up to 15 small business loans.

Grantee Contact: Hubert Van Tol, Senior Director for Economic Development
400 East Avenue
Rochester, NY 14607
Phone: (585) 340-3385

ESD Project No.: Y265

Project Team:	Origination	Kevin Hurley
	Project Management	Edward Muszynski
	Contractor & Supplier Diversity	Vikas Gera
	Finance	Amit Nihalani
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. The Grantee will demonstrate no materially adverse changes in its financial condition prior to disbursement.
2. The Grantee will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after its acceptance of ESD’s offer. Equity is defined as cash injected into the project by the Grantee or by investors, and should be auditable through Grantee financial statements or Grantee accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
3. Up to \$2,000,000 will be disbursed to the Grantee in three installments as follows:

- a) an Initial Disbursement of an amount equal to 40% of the grant (\$800,000) as an advance upon execution of a Grant Disbursement Agreement and receipt of required documentation, assuming that all project approvals have been completed and funds are available;
- b) a Second Disbursement of an amount equal to 40% of the grant (\$800,000) will be disbursed upon documentation verifying disbursement of at least 75% of the first advance (\$600,000) and Grantee's compliance with program reports and requirements, including meeting expected goals; and
- c) a Third Disbursement of an amount equal to 40% of the grant (\$400,000) will be disbursed upon documentation verifying disbursement of 100% of the first advance and at least 75% of the second advance (\$1,400,000 cumulative) and Recipient's compliance with program reports and requirements, including meeting expected goals.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses reimbursed by ESD's grant must be incurred on or after April 1, 2013, to be considered eligible project costs. All disbursements require compliance with program requirements and must be requested by no later than April 1, 2017. ESD will be entitled to recoup any advanced funds that are not disbursed by Grantee in a timely fashion.

ESD must approve PathStone's loan application, marketing material and deal sourcing strategies, due diligence process, loan approval guidelines, underwriting policy and guidelines, portfolio management, and monitoring processes and goals.

ESD funds should be allocated as loans in a proportional share to PathStone's other funding sources. No single investment of ESD funds may exceed \$200,000 without written consent of ESD, via the Finger Lakes Regional Office. ESD funds may not be subject to a higher risk compared with other PathStone's funds.

ESD funds will be deposited in an account (the "Imprest Account") at a bank mutually acceptable to ESD (as set forth in writing by ESD) and the Grantee. Funds in the Imprest Account, from the time of deposit and until disbursed from such account in accordance with terms to be approved by the ESD Directors, will be invested in accordance with ESD's Investment Guidelines. ESD shall be provided with copies of all account statements, and reports in accordance with reporting requirements. All returns on ESD investments shall be kept in the same Imprest account and shall be used exclusively for subsequent PathStone's loans.

Grantee or Grantee's lending entity, the PathStone Enterprise Center, will report quarterly on PathStone's loans, imprest account bank activities and related items. Such reports will contain information on loans, including current status, leveraged funds, business revenue, job creation outcomes, use of loan proceeds and other items as determined by ESD. Once the Grantee has provided documentation verifying disbursement of the entire \$2,000,000 in grant funds, the Grantee will report annually on loans, outcomes and related activity until such time as five years has elapsed from

the date of the last loan closed under the project (the “Five-Year Period”). After the Five-Year Period, the scheduled reporting to ESD noted above will not be required, though Grantee will still be required to retain documents and ESD shall retain all rights to inspect, request and audit such documents as specified under the Grant Disbursement Agreement.

4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$2,000,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

IV. Statutory Basis – Regional Council Capital Fund

The project was authorized in the 2012-13 New York State budget and reappropriated in the 2013-14 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

V. Environmental Review

ESD staff has determined that the project constitutes a Type II ministerial action as defined by the New York State Environmental Quality Review Act (“SEQRA”) and the implementing regulations of the New York State Department of Environmental Conservation. The recipient of fund disbursements will be responsible for complying with SEQRA as applicable. No further environmental review is required in connection with this authorization.

VI. Non-Discrimination and Contractor & Supplier Diversity

Pursuant to New York State Executive Law Article 15-A, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority-an-women-owned businesses (“MWBES”) in the performance of ESD projects. The Office of Contractor and Supplier Diversity has reviewed the project and has determined that, due to the highly specialized and unique nature of this initiative, there exists no potential for MWBW participation. As such, participation goals will not be established or required for this project.

VII. ESD Employment Enforcement Policy

ESD's Employment Enforcement Policy will not apply since the project will not directly create or retain jobs.

VIII. ESD Financial Assistance Subject to Availability of Funds and Additional Approval

The provision of ESD financial assistance is contingent upon the availability of funds and the approval of the State Division of the Budget.

IX. Additional Submissions to Directors

Resolutions

New York State Map

Project Finance Memorandum

July 18, 2013

Regional Council Award – Priority Project – Various Counties (Finger Lakes Region) – PathStone Corporation Revolving Loan Fund Capital – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the PathStone Corporation Revolving Loan Fund Capital – Regional Council Capital Fund (Capital Grant) Project (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project Plan (the “Plan”) for the Project submitted to this meeting, together with such changes therein as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, a copy of which Plan, together with such changes, is hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to PathStone Corporation a grant for a total amount not to exceed Two Million Dollars (\$2,000,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration of the grant; and be it further

RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

RESOLVED, that the President and Chief Executive Officer or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

* * *



FOR CONSIDERATION

July 18, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award – Rome (Mohawk Valley Region – Oneida County) – Griffiss Local Development Corporation Fiber Connectivity Hub Capital – Regional Council Capital Fund (Capital Grant)

REQUEST FOR: Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

General Project Plan

I. Project Summary

Grantee: Griffiss Local Development Corporation (“GLDC”)

ESD* Investment: A grant of up to \$397,500 to be used for a portion of the cost of machinery and equipment.

* The New York State Urban Development Corporation doing business as Empire State Development (“ESD” or the “Corporation”)

Project Location: 725 Daedalian Drive, Rome, Oneida County

Proposed Project: Establish an advanced fiber connectivity HUB at the Griffiss Institute

Project Type: Technology infrastructure upgrade

Regional Council: The Incentive Offer was accepted in May 2012. The project is consistent with the Mohawk Valley Regional Council Plan to build a diverse integrated and dynamic economy that leverages technology

633 Third Avenue | New York, NY 10017 | (212) 803-3100

www.esd.ny.gov

and innovation to stimulate business investment and growth to

capitalize on the region’s physical and intellectual infrastructure to enhance entrepreneurship. The Designated Authorized Representative, Steven DiMeo, of Griffiss Local Development Corporation, is a member of the 31-person Mohawk Valley Regional Economic Development Council. In conformance with the State’s policy, this individual has recused himself on votes recommending this project. The Council includes 11 additional, ex-officio members who are elected officials but cannot vote on individual project recommendations.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Feasibility/Engineering Study	\$50,000	
Network Design	52,600	
Machinery and Equipment	526,500	
Connections and Memberships	<u>209,700</u>	
 Total Project Costs	 <u>\$838,800</u>	
 <u>Financing Sources</u>	 <u>Amount</u>	 <u>Percent</u>
ESD – Grant	\$397,500	47%
Grantee Equity	<u>441,300</u>	<u>53%</u>
 Total Project Financing	 <u>\$838,800</u>	 <u>100%</u>

III. Project Description

A. Company

Industry: Redevelopment of the Griffiss Business Technology Park.

Company History: Formed in 1994 by New York State legislation, GLDC is charged with facilitating and coordinating the redevelopment efforts of the Griffiss Business and Technology Park. The redevelopment is governed by the Master Reuse Strategy, published in 1995 and updated in 1996 with the approval of the surrounding communities and the U.S. Department of Defense (“DoD”). The Griffiss Business and Technology Park currently has over 70 employers with over 6,200 employees. Over \$450 million in private and public investment has been made at the site since 1994.

Ownership: GLDC is a not-for-profit organization.

Size: All facilities are located in Rome, NY.

Market: Worldwide business community

ESD Involvement: In order to create an advanced fiber connectivity HUB at the Griffiss Institute, GLDC applied for funding through ESD’s Consolidated Funding Application to fund a network upgrade for wideband research capabilities, create additional facilities for video conferencing, provide High Speed Research access, and support technical program management. As a result of the Governor’s Regional Economic Development Council Initiative, GLDC was awarded \$397,500 through the Consolidated Funding Application (“CFA”).

Competition: n/a

Past ESD Support: ESD’s financial support to the Grantee began in 2000. Since then, total financial support to the Company, including loans and grants, has been over \$12 million. All funds have been fully disbursed and the terms were fulfilled.

The Grantee is Empire Zone certified but has not used any zone tax credits.

Funding for the past five years to the Grantee is summarized in the following chart:

Program	Project #	Amount	Date Start (ESD Directors’ Approval date)	Date End (Project Completion: Contract Expiration or Job Requirement)	Purpose
Base Redevelopment	W394	\$1,053,000	October 2008	May 2011	Capital Grant – Building construction and renovation
	W674	\$1,053,000	October 2009	February 2011	Capital Grant – Construction
Base Retention	W029	\$150,000	March 2008	December 2009	Working Capital Grant – architectural engineering, and environmental testing
	W507	\$150,000	November 2008	March 2010	Capital Grant – Building renovation

Upstate Regional Blueprint	X081	\$1,000,000	June 2011	November 2011	Capital Grant – Construction
----------------------------------	------	-------------	-----------	---------------	---------------------------------

B. The Project

Completion: December 2013

Activity: The Grantee has completed a feasibility/engineering study and the facility will support a new high speed network that is necessary for research operations at the Griffiss Institute. The Griffiss Institute facilitates the co-operation of private industry, academia and government to develop solutions in cyber security. The network will be designed and machinery and equipment will be purchased, including wiring, computers and routers to support the high speed network. Service will be purchased to a broadband high speed service to gain access to major university and R&D centers for research.

This project will provide a technology infrastructure that will stimulate new jobs in IT/cybersecurity, assist current businesses in IT/cybersecurity, and provide job training and educational opportunities.

Results: The investment will provide the connectivity that the Mohawk Valley Region needs to be a leader in the IT community.

Business Investment
Project:

Benefit-Costs Evaluations are used in evaluating projects that are categorized as Business Investment, Infrastructure Investment, and Economic Growth Investment and that involve 1) job retention and/or creation and/or 2) construction-related activity. For Business Investment projects, benefits typically reflect the impact of both jobs and construction-related activity. For Infrastructure Investment and Economic Growth Investment projects, which generate long-term benefits not captured in the period of analysis and may involve no permanent job commitments, the estimated benefits typically reflect only construction-related activity.

Evaluated over a seven-year period, the following are anticipated project impacts (dollar values are present value):

- Fiscal benefits to NYS government from the project are estimated at \$6,767;
- Fiscal cost to NYS government is estimated at \$397,500;
- Ratio of project fiscal benefits to costs to NYS government is 0.02:1;
- Fiscal benefits to all governments (state and local) are estimated at \$11,429;
- Fiscal cost to all governments is \$397,500;
- The fiscal benefit to cost ratio for all governments is 0.03:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$57,031;

- The economic benefit to cost ratio is 0.14:1;
- Project construction cost is \$102,600, which is expected to generate one direct job year and one indirect job year of employment;
- For every construction-related direct job generated by this project, an additional 0.45 indirect job is anticipated in the state's economy;

(See Project Summary Benefit-Cost Evaluation attached for detail and definitions.)

Grantee Contact: Shawna Papale, Senior Vice President
584 Phoenix Drive
Rome, NY 13441
Phone: (315) 338-0393

ESD Project No.: X643

Project Team:	Origination	Jane Thelen
	Project Management	Jared Walkowitz
	Contractor & Supplier Diversity	Denise Ross
	Finance	Amit Nihalani
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Grantee shall pay a commitment fee of 1% of the \$397,500 (\$3,975) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Grantee's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Grantee or by investors, and should be auditable through Grantee's financial statements or Grantee accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
3. Up to \$397,500 will be disbursed to the Grantee in three installments as follows:
 - a) an Initial Disbursement of an amount equal to 60% of the grant (\$238,500) upon completion of feasibility/engineering study for facility expansion and documentation of machinery and equipment project costs totaling \$397,000, assuming that all project approvals have been completed and funds are available;
 - b) a Second Disbursement of an amount equal to 20% of the grant (\$79,500) will be disbursed upon documentation of additional machinery and equipment project costs totaling \$89,500 and other project costs totaling \$131,150 (\$618,150 cumulative project costs), provided Grantee is otherwise in compliance with program requirements;

- c) a Third Disbursement of an amount equal to 20% of the grant (\$79,500) will be disbursed upon completion of the project and documentation of additional machinery and equipment project costs totaling \$89,500 and other project costs totaling \$131,150 (\$838,800 cumulative project costs), provided Grantee is otherwise in compliance with program requirements.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses reimbursed by ESD's grant must be incurred on or after May 28, 2012, to be considered eligible project costs. All disbursements must be requested by April 1, 2014.

- 4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$397,500, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
- 5. Grant funds will be subject to pro rata recapture if the property at the Project Location is sold within five years of disbursement of funds. The Recapture Amount is based on the time that has lapsed between when the Grant funds were disbursed and when the transfer occurred. The Recapture Amount shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:
 - (i) 100% of the disbursed amount if the transfer occurred in the calendar year that the disbursement was made, or in the first full calendar year after the disbursement was made;
 - (ii) 80% of the disbursed amount if the transfer occurred in the second full calendar year after the disbursement was made;
 - (iii) 60% of the disbursed amount if the transfer occurred in the third full calendar year after the disbursement was made;
 - (iv) 40% of the disbursed amount if the transfer occurred in the fourth full calendar year after the disbursement was made;
 - (v) 20% of the disbursed amount if the transfer occurred in the fifth full calendar year after the disbursement was made.

IV. Statutory Basis – Regional Council Capital Fund

The project was authorized in the 2011-2012 New York State budget and reappropriated in the 2012-2013 and 2013-2014 New York State budgets. No residential relocation is required as there are no families or individuals residing on the site.

V. Environmental Review

ESD staff has determined that the project constitutes a Type II action as defined by the New

York State Environmental Quality Review Act (“SEQRA”) and the implementing regulations of the New York State Department of Environmental Conservation. No further environmental review is required in connection with the project.

VI. Non-Discrimination and Contractor & Supplier Diversity

ESD’s Non-discrimination and Contractor Diversity policy will apply to the Project. The Grantee shall be required to use good faith efforts to achieve an overall Minority and Women Business Enterprise (“MWBE”) Participation Goal of 14%. The overall goal shall include a Minority Business Enterprise (“MBE”) Participation goal of 8% and a Women Business Enterprise (“WBE”) Participation goal of 6% related to the total value of ESD’s funding and to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project.

VII. ESD Employment Enforcement Policy

ESD's Employment Enforcement Policy will not apply since the project will not directly create or retain jobs.

VIII. ESD Financial Assistance Subject to Availability of Funds and Additional Approval

The provision of ESD financial assistance is contingent upon the availability of funds and the approval of the State Division of the Budget.

IX. Additional Submissions to Directors

Resolutions
New York State Map
Project Finance Memorandum
Benefit-Cost Analysis

July 18, 2013

Rome (Mohawk Valley Region – Oneida County) – Griffiss Local Development Corporation
Fiber Connectivity Hub Capital – Regional Council Capital Fund (Capital Grant) – Findings
and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the
Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Griffiss Local Development Corporation Fiber Connectivity Hub Capital - Regional Council Capital Fund Project (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project Plan (the “Plan”) for the Project submitted to this meeting, together with such changes therein as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, a copy of which Plan, together with such changes, is hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Griffiss Local Development Corporation a grant for a total amount not to exceed Three Hundred Ninety-Seven Thousand Five Hundred Dollars (\$397,500) from the Regional Council Capital Fund for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration of the grant; and be it further

RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

RESOLVED, that the President and Chief Executive Officer or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

* * *



FOR CONSIDERATION

July 18, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award – Upton & Garden City (Long Island Region – Nassau and Suffolk Counties) – Brookhaven Science Associates Long Island STEM Hub Working Capital – Economic Development Purposes Fund (Working Capital)

REQUEST FOR: Findings and Determinations Pursuant to Sections 10 (g) of the Act; Authorization to Make a Grant and to Take Related Actions

I. Project Summary

Grantee: Brookhaven Science Associates, LLC (“BSA” or the “Company”)

ESD* Investment: A grant of up to \$320,000 to be used for salary, website production and maintenance and marketing costs related to the STEM Hub facility.

Project Locations: 40 Brookhaven Avenue, Suffolk County
Charles Lindbergh Boulevard, Nassau County

Proposed Project: The project is a collaborative initiative to educate a high-tech workforce in the Long Island Region.

Project Type: Workforce development

Regional Council: The project is consistent with the Long Island Regional Plan to create a cohesive education and workforce training and ensuring that workers from all of Long Island’s communities are prepared to take advantage of new job opportunities in key economic growth sectors. Samuel L.

Stanley Jr., M.D. President, Stony Brook University and Doon Gibbs, Ph.D. Director and Brookhaven National Laboratory are members of the 24-member Long Island Regional Economic Development Council. In conformance with the State’s policy, these individuals have recused themselves on votes recommending this project.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Salaries (including a Researcher, Executive Director, Workforce Development Director, and Hub Coordinators)	\$324,286	
Website Development and Maintenance, Brochures, and Marketing Materials	<u>95,714</u>	
Total Project Costs	<u>\$420,000</u>	
<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD – Grant	\$320,000	76%
Company Equity	<u>100,000</u>	<u>24%</u>
Total Project Financing	<u>\$420,000</u>	<u>100%</u>

III. Project Description

A. Company

Industry: Research Institution

Company History: Formed in 1946, Brookhaven National Laboratory (“BNL”) is a multipurpose research institution funded primarily by the U.S. Department of Energy’s Office of Science. BNL expertise and world-class facilities help explore scientific questions from the fundamental forces of nature to the complex interactions of ecosystems and the environment. Brookhaven Science Associates manages and operates Brookhaven National Laboratory.

Ownership: BSA is a limited liability company that represents a partnership between Battelle Memorial Institute and Stony Brook University.

Size: All facilities are located in Long Island, NY.

Market: The project’s target market is K-12 students, teachers, and college students as well recent graduates and mid-career and displaced workers

in fields related to science, technology, engineering and mathematics.

ESD Involvement: Long Island’s economic viability has traditionally been rooted in technology and innovation. Continued growth for the region relies on the preparation of a workforce capable of filling positions in science, technology, engineering and mathematics (“STEM”). As a result of the Governor’s Regional Economic Development Council Initiative, Brookhaven Science Associates, LLC, was awarded \$320,000 through the Consolidated Funding Application (“CFA”) process to assist with working capital expenses related to the Long Island STEM Hub Program.

Competition: N/A

Past ESD Support: Since 2006, ESD has provided 3 grants to BSA totaling \$14,050,000. All funds have been disbursed and the projects are complete.

In the past 5 years, funding to BSA is summarized as follows:

Program	Project #	Amount	Date Start (ESD Directors’ Approval date)	Date End (Project Completion: Contract Expiration or Job Requirement)	Purpose
Special Legislative Appropriation – Capital Projects Fund	U935	\$9,800,000	2007	2011	Capital Grant

B. The Project

Completion: June 2016

Activity: In December 2012, the U.S. Department of Energy’s Brookhaven National Laboratory, in partnership with the Long Island Museum of Science and Technology (“LIMSAT”), the Long Island Works Coalition, and the Long Island Cradle of Aviation, and others, launched the Long Island STEM Hub. The STEM Hub is a new initiative that focuses on preparing students for a high-tech workforce. The project includes the design and launch of the STEM Hub website and the hiring of two new full-time employees and one part-time employee to conduct research and to staff two Hub locations, one in Suffolk County and one in Nassau County. The Suffolk County Hub will be located at Brookhaven National Lab, and the Nassau County Hub will be located at the Cradle of Aviation Museum. Each Hub will collaborate with STEM partners to identify workforce gaps and build a pipeline of a STEM-educated workforce from Long Island students grades K-12. The initiative will bring together researchers, employers, government and existing workforce collaborations to coordinate and

support education and training programs. The STEM Hub will serve as a collaborative operation, providing a one-stop source for businesses, school districts, students, parents, teachers, universities and worker retraining operations to address STEM workforce needs in the region.

Results: The program will develop an integrated and effective systemic regional partnership between industry, academia and not-for profit organizations to increase the number of Long Island students interested in and prepared for careers in the high-tech and global businesses of Long Island.

Business Investment

Project: This project is an Economic Growth Investment project that does not involve permanent job commitments or construction spending. While such projects generate significant long term fiscal and economic benefits, such benefits are not estimated within the short-term period used in the benefit cost analysis. Therefore, no benefit cost analysis is provided.

Grantee Contact: Kenneth White, Manager, Office of Educational Programs
40 Brookhaven Avenue, Bldg 438
Upton, NY 11973
Phone: (631) 344-7171

ESD Project No.: X728

Project Team:	Origination	Brian Teubner
	Project Management	Beverly Bobb
	Legal	Jennifer Chung
	Contractor & Supplier Diversity	Vikas Gera
	Finance	Ross Freeman
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the \$320,000 capital grant (\$3,200).
2. The Company will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after ESD's announcement of the project. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the

project.

4. Up to \$320,000 will be disbursed to the Grantee in three installments as follows:
 - a) an Initial Disbursement of an amount equal to 30% of the grant (\$96,000) will be disbursed no sooner than April 2013, upon documentation of hiring two new STEM Hub Coordinators (either directly or through a contractor), documentation of asset mapping research , and establishment of two new STEM Hub centers, documentation that a minimum of 7 school districts or colleges and universities are utilizing STEM Hub resources and 15 students have been placed in STEM-related internships, and documentation of at least \$150,000 in eligible project costs, including \$96,000 of expenses that are eligible for reimbursement, assuming that all project approvals have been completed and funds are available;
 - b) a Second Disbursement of an amount equal to 31% of the grant (\$100,000) will be disbursed no sooner than April 2014, upon documentation of salary expenses for two STEM Hub Coordinators and marketing expenses totaling at least \$100,000 (\$250,000 cumulative) and documentation of a minimum of 10 additional school districts or colleges and universities (17 cumulative) that utilize the STEM Hub resources and an additional 15 students (30 cumulative) place in STEM related internships, provided Grantee is otherwise in compliance with program requirements;
 - c) a Third Disbursement of an amount equal to 39% of the grant (\$124,000) will be disbursed no sooner than April 2015, upon documentation of salary expenses for two STEM Hub Coordinators and marketing expenses totaling at least \$170,000 (\$420,000 cumulative) and documentation of a minimum of 8 additional school districts or colleges and universities (23 cumulative) that utilize the STEM Hub resources and 15 student (45 cumulative) placed in STEM related internships, provided Grantee is otherwise in compliance with program requirements.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses reimbursed by ESD's grant must be incurred on or after May 31, 2012, to be considered eligible project costs.

5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$320,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

IV. Statutory Basis – Economic Development Purposes Fund

The project was authorized in the 2011-2012 New York State budget and reappropriated in the 2012-2013 and 2013-14 New York State budgets. No residential relocation is required as there are no families or individuals residing on the site.

V. Environmental Review

ESD staff has determined that the project does not constitute an action as defined by the New York State Environmental Quality Review Act ("SEQRA") and the implementing regulations of the New York State Department of Environmental Conservation. No further environmental review is required in connection with the project.

VI. Non-Discrimination and Contractor & Supplier Diversity)

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Recipient shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women Business Enterprise ("MWBEs") for any contractual opportunities generated in connection with the Project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 30%. The overall goal shall include a Minority Business Enterprise ("MBE") Participation Goal of 15% and a Women Business Enterprise ("WBE") Participation Goal of 15% related to the total value of ESD's funding.

VII. ESD Employment Enforcement Policy

ESD's Employment Enforcement Policy will not apply since the project will not directly create or retain jobs.

VIII. ESD Financial Assistance Subject to Availability of Funds and Additional Approval

The provision of ESD financial assistance is contingent upon the availability of funds and the approval of the State Division of the Budget.

IX. Additional Submissions to Directors

Resolutions
New York State Map
Project Finance Memorandum

July 18, 2013

Regional Council Award – Upton & Garden City (Long Island Region – Nassau and Suffolk Counties) – Brookhaven Science Associates Long Island STEM Hub Working Capital – Economic Development Purposes Fund (Working Capital) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Make a Grant and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Brookhaven Science Associates Long Island STEM Hub Working Capital - Economic Development Purposes Fund (Working Capital) Project (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Brookhaven Science Associates, LLC a grant for a total amount not to exceed Three Hundred Twenty Thousand Dollars (\$320,000) from the Economic Development Purposes Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration of the grant; and be it further

RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

RESOLVED, that the President and Chief Executive Officer or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

* * *



FOR CONSIDERATION

July 18, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award Projects Consent Calendar

REQUEST FOR: Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plans; Authorization to Make Grants and to Take Related Actions

Attached are summaries of Regional Council Award projects requesting ESD assistance of \$100,000 and under in the following categories:

Regional Council Capital Fund

	Project Name	Proj #	Grantee	Assistance up to
A	Geva Theatre Center Capital	Y221	Geva Theatre Center, Inc.	\$100,000
			TOTAL	\$100,000

Economic Development Purposes Fund

	Project Name	Proj #	Grantee	Assistance up to
B	Launch New York Working Capital	X693	Launch New York	\$93,565
C	HCIDA Revolving Loan and Grant Fund	Y374	Herkimer County Industrial Development Agency	50,000
			TOTAL	\$143,565

The provision of ESD* financial assistance is contingent upon the availability of funds and the approval of the State Division of the Budget.

* The New York State Urban Development Corporation doing business as the Empire State Development ("ESD" or the "Corporation")

633 Third Avenue | New York, NY 10017 | (212) 803-3100

www.esd.ny.gov

Environmental Review

Unless otherwise noted on a project summary, ESD staff has determined that the projects constitute Type II actions as defined by the New York State Environmental Quality Review Act and the implementing regulations for the New York State Department of Environmental Conservation. No further environmental review is required in connection with the projects.

Non-discrimination and Contractor and Supplier Diversity

Pursuant to New York State Executive Law Article 15-A, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority and women-owned businesses in the performance of ESD contracts. Accordingly, ESD's Non-discrimination and Contractor and Supplier Diversity policies will apply to the projects. Unless otherwise specified in the project summary, grantees shall use their Good Faith Efforts to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation Goal of 23% related to the total value of ESD's funding. This shall include a Minority Business Enterprise ("MBE") Participation goal of 13% and a Women Business Enterprise ("WBE") Participation goal of 10%. Grantees shall use Good Faith Efforts to solicit and utilize MWBEs for any contractual opportunities generated in connection with the projects and to include minorities and women in any job opportunities created by the projects.

Reallocation of Funds

ESD may reallocate each project's funds to another form of assistance, at an amount no greater than the amount approved, for the same project if ESD determines that the reallocation of the assistance would better serve the needs of the recipient and the state of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

ESD Employment Enforcement Policy

Unless otherwise noted on a project summary, the ESD Employment Enforcement Policy will not apply because these projects do not directly create jobs.

ESD Financial Assistance Subject to Availability of Funds and Additional Approval

The provision of ESD financial assistance is contingent upon the availability of funds and the approval of the State Division of the Budget.

Statutory Basis – Regional Council Capital Fund and Economic Development Purposes Fund

The projects were authorized in the 2011-2012 New York State budget and reappropriated in the 2012-2013 and 2013-2014 New York State Budgets. No residential relocation is required as there are no families or individuals residing on the site(s).

Additional Submissions to Directors

New York State Map
Resolutions
Project Summaries

July 18, 2013

Regional Council Capital Fund – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plans; Authorization to Make Grants and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Regional Council Capital Fund and Economic Development Purposes Fund Projects identified below (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project Plans (the “Plan”) for the Projects submitted to this meeting, together with such changes therein as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, a copy of which Plan, together with such changes, are hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s), that no substantive negative testimony or comment has been received at the public hearings held on the Plan, such Plan shall be effective at the conclusion of such hearings, and that upon such written findings being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make a grant to the party and for the amounts listed below from the Regional Council Capital Fund and Economic Development Purposes Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration of the grant; and be it further

RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals;

Regional Council Capital Fund

	Project Name	Proj #	Grantee	Assistance up to
A	Geva Theatre Center Capital	Y221	Geva Theatre Center, Inc.	\$100,000
			TOTAL	\$100,000

Economic Development Purposes Fund

	Project Name	Proj #	Grantee	Assistance up to
B	Launch New York Working Capital	X693	Launch New York	\$93,565
C	HCIDA Revolving Loan and Grant Fund	Y374	Herkimer County Industrial Development Agency	50,000
			TOTAL	\$143,565

and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

* * *

A. Geva Theatre Center Capital (Y221)

July 18, 2013

General Project Plan

- Grantee:** Geva Theatre Center, Inc. (“Geva”)
- ESD Investment:** A grant of up to \$100,000 to be used for a portion of the cost of a new HVAC system.
- Project Location:** 75 Woodbury Boulevard, Rochester, Monroe County
- Proposed Project:** Upgrade a HVAC system as part of an \$8 million overall renovation of a historic theatre building.
- Project Type:** Facility improvement
- Regional Council:** The Finger Lakes Regional Council has been made aware of and fully supports this project. The Incentive Proposal was accepted in February 2013. The project is consistent with the Finger Lakes Regional Plan’s goals to support tourism and the arts, a key industry cluster.

Background:

Industry – Professional Regional Theatre Producer

Grantee History – Since its founding in 1972, Geva Theatre Center’s programs and activities have served over four million citizens and visitors, generated \$200 million in economic activity, trained numerous artists and administrators for the workforce, and supported the region's high quality of life. Geva is Rochester’s only resident professional theatre and is New York State’s most attended outside of Manhattan. Geva has employed over 5,000 artists. Up to 160,000 people, primarily from the Rochester/Finger Lakes area, visit Geva each year. Of these, 16,000 are youths, including 1,600 Rochester City School District students who receive free education programs including workshops, student matinees with talkbacks, and artist visits to schools. Geva also serves over 6,000 people of all ages with free readings and community engagement events.

Ownership – The Grantee is a private, not-for-profit corporation.

Size – Geva’s offices and theatre are located in a 49,457-square-foot historic building in downtown Rochester.

ESD Involvement – Geva must become a 21st century performing arts and cultural center to continue attracting visitors. To that end, the Grantee has initiated major

A. Geva Theatre Center Capital (Y221)

July 18, 2013

capital improvements that will transform the National Register-listed building to a dynamic world-class cultural asset that serves people from all over the country; provides exceptional arts, cultural and educational programs; and contributes to the economic vitality of the region. Through major interior renovations to all floors of the building, Geva will provide more opportunities to entertain, inspire and draw audiences; engage community groups and businesses; and expand its position as a leading performing arts facility. Though other State agencies have contributed funds, ESD's financial assistance was needed to fill a gap that allowed the project to proceed.

Competition – N/A

Past ESD Support – This is the Grantee's first project with ESD.

The Project:

Completion – July 2013

Activity – Geva is in the process of installing a new HVAC system to improve energy efficiency as part of a multi-year major exterior and interior renovation of its historic building. The current system was installed over 30 years ago and is beyond its useful life.

Geva issued an RFP to six organizations to replace the HVAC system. Two companies responded to this request, and Kenron Industrial Air Conditioning Inc. ("Kenron") received the award as the lowest bid. Kenron has subcontracted some work to one WBE and one MBE. Kenron's price includes planning and design.

The project began in January 2013 and will be completed by the end of July 2013.

Results – By upgrading its amenities, Geva will play a significant role in revitalizing downtown Rochester, increasing ticket sales and attendance at Rochester's cultural events, and enhancing its neighborhood, which is a gateway to downtown. In addition the new HVAC system is eco-friendly, follows Energy Star® standards, uses a recycled design, and has minimal impact on landfills.

A. Geva Theatre Center Capital (Y221)

July 18, 2013

Financing Uses	Amount	Financing Sources	Amount	Percent
HVAC system including planning, design, and installation	\$491,600	ESD - Grant	\$100,000	20%
		NYS Department of Parks, Recreation and Historic Preservation - Grant	100,000	20%
		Dormitory Authority of the State of New York - Grant	104,161	20%
		Grantee Equity*	187,439	40%
Total Project Costs	\$491,600	Total Project Financing	\$491,600	100%

*Sources of equity are donations to the Grantee's capital campaign.

Grantee Contact – Tom Parrish, Executive Director
 75 Woodbury Boulevard
 Rochester, NY 14607
 Phone: (585) 420-2036 Fax: (585) 232-4031

Project Team –

Origination	Kevin Hurley
Project Management	Edward Muszynski
Contractor & Supplier Diversity	Vikas Gera
Environmental	Soo Kang

Financial Terms and Conditions:

1. Upon execution of the grant disbursement agreement, the Grantee shall pay a commitment fee of 1% of the \$100,000 capital grant (\$1,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. The Grantee will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Company's written acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.

A. Geva Theatre Center Capital (Y221)

July 18, 2013

4. Up to \$100,000 will be disbursed to Grantee upon, documentation of HVAC system project costs totaling \$491,600, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after January 7, 2013, to be considered eligible project costs. This date is when the Grantee had to execute a contract due to long lead times in ordering equipment.
5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$100,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
6. Grant funds will be subject to pro rata recapture if the property at the Project Location is sold within five years of disbursement of funds. The Recapture Amount is based on the time that has lapsed between when the Grant funds were disbursed and when the transfer occurred. The Recapture Amount shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:
 - (i) 100% of the disbursed amount if the transfer occurred in the calendar year that the disbursement was made, or in the first full calendar year after the disbursement was made;
 - (ii) 80% of the disbursed amount if the transfer occurred in the second full calendar year after the disbursement was made;
 - (iii) 60% of the disbursed amount if the transfer occurred in the third full calendar year after the disbursement was made;
 - (iv) 40% of the disbursed amount if the transfer occurred in the fourth full calendar year after the disbursement was made;
 - (v) 20% of the disbursed amount if the transfer occurred in the fifth full calendar year after the disbursement was made.

Environmental Review:

ESD staff has determined that the project constitutes a Type II action as defined by the New York State Environmental Quality Review Act ("SEQRA") and the implementing regulations of the New York State Department of Environmental Conservation. No further environmental review is required in connection with the project.

Due to the building's inclusion on the National Register of Historic Places, ESD has confirmed that the project sponsor consulted with the New York State Office of Parks, Recreation and Historic Preservation pursuant to the requirements of Section 14.09 of the New York State

A. Geva Theatre Center Capital (Y221)

July 18, 2013

Parks, Recreation and Historic Preservation Law. No further consultation is required.

Non-Discrimination and Contractor & Supplier Diversity:

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to the project. The Grantee shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women Business Enterprise ("MWBEs") for any contractual opportunities generated in connection with the project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 25% related to the total value of ESD's funding.

Statutory Basis – Regional Council Capital Fund:

The project was authorized in the 2012-2013 New York State budget and reappropriated in the 2013-2014 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

B. Launch New York Working Capital (X693)

July 18, 2013

- Grantee:** Launch New York (“Launch NY”)
- ESD Investment:** A grant of up to \$93,565 to be used for a portion of working capital costs for the Launch NY Program.
- Project Locations:** 27 counties of the Western New York, Finger Lakes, Central New York, and Southern Tier regions of Upstate New York (the “Upstate Region”).
- Proposed Project:** Managerial and financial support for high-growth startup companies, and the creation of an integrated Upstate Region entrepreneurial ecosystem to accelerate entrepreneurship and economic development.
- Project Type:** Entrepreneurial support for start-up companies.
- Regional Council:** The Incentive Offer was accepted in June 2012. This is a priority project of the Western New York Region. The project addresses the Western New York Regional Plan to provide training, business guidance and managerial support services for area entrepreneurs as well as direct investments in start-up companies.
- Employment:** N/A

Background:

Industry – Entrepreneurial resources and ecosystem support.

History – Launch NY was established in 2011. It developed the Regional Entrepreneurship Action Plan (“REAP”) through the JumpStart NY Project, a planning project funded in 2010 by an Economic Development Administration grant to the Erie County Industrial Development Agency in collaboration with Cleveland-based JumpStart Inc. (“JumpStart”). JumpStart, established in 2004, is a nationally recognized non-profit organization known for accelerating the success of diverse entrepreneurs, their high-growth companies and the ecosystems supporting them. To date, JumpStart has provided 84,000 hours of pro bono technical assistance to entrepreneurs, invested \$17 million into 49 early-stage Ohio companies that has resulted in 1,544 direct jobs created and retained by client companies and over \$495 million in risk capital raised by portfolio and client companies. Additional Jumpstart programs are being established nationwide in Northern Indiana, Minneapolis Saint Paul, Minnesota; Akron, Ohio; Baton Rouge, Louisiana; Detroit, Michigan; Duluth, Minnesota; Macon, Georgia; and St. Louis, Missouri.

Ownership – Launch NY is a Not-for-Profit 501(c)3 organization.

B. Launch New York Working Capital (X693)

July 18, 2013

Size – Launch NY is a newly established organization which recently hired a chief executive officer and anticipates hiring up to 13 full-time employees by the end of 2013, including a chief investment officer, a chief marketing officer and teams of skilled advisors, which will be located across the Upstate Region.

Market – The Grantee will primarily assist entrepreneurs and emerging companies.

ESD Involvement – The Upstate Region has a large amount of university research, a legacy of innovation and a well-educated workforce, but lacks sufficient entrepreneurial talent, related expertise and investment capital to take advantage of these strengths. The Upstate Region also lacks well-established sources of venture capital and has been unable to consistently attract capital from private investors located outside the region.

The Upstate Region produces a modest number of new high-potential startup opportunities (70+) each year, some of which are qualified for professional investment, and has the potential to increase this number substantially, but deal flow continues to be suppressed by a well-documented shortage of entrepreneurial assistance, experienced entrepreneurs and investment capital.

As a result of the Governor's Regional Economic Development Council Initiative, Launch NY was awarded \$93,565 through the Consolidated Funding Application ("CFA") process to fund this priority project. Launch NY advised ESD that it lacked sufficient funds in order to accelerate the formation of new high-growth businesses, create an entrepreneurial environment or ecosystem that will drive entrepreneurship and high-potential start-up companies in the Upstate Region.

Competition – N/A

Past ESD Support – This is the Grantee's first project with ESD.

The Project:

Completion – September 2013

Activity – Launch NY will invest in and provide assistance to a number of high-potential startups by retaining skilled advisors to provide expert services and assistance to its portfolio companies and to a select group of other high-potential opportunities. These advisors, known as Entrepreneurs in Residence, will possess experience in successfully developing and exiting high-growth entrepreneurial companies. Launch NY will also provide a variety of programs and services for regional partners and entrepreneurial companies, including marketing and inclusion programs to increase deal flow, talent

B. Launch New York Working Capital (X693)

July 18, 2013

acquisition services, fundraising services to help companies acquire resources, metrics collection and analysis services to help resource providers measure impact, and fundraising support to sustain the Upstate Region's resources.

The project will involve the initial implementation of the REAP, which will include the establishment of a regional entrepreneurial support network, a comprehensive database for tracking activity, the acquisition and installation of computer-related equipment, furniture, fixtures, supplies, and development of comprehensive marketing communication materials.

To date, Launch NY has hired a chief executive officer, a controller, and four entrepreneurs-in-residence; begun to identify partner relationships to provide contracted services related to seed-stage entrepreneurship services and M/WBE access; established protocols for client identification, triage and development; and created a Website, communication plan and a client and funder recruitment campaign.

Results – When fully implemented, Launch NY will provide identification, development and funding of start-up high-growth businesses including training and business management assistance. Launch NY is currently identifying public, private and philanthropic support for the implementation phase.

Financing Uses	Amount	Financing Sources	Amount	Percent
Computer/Printer Equipment	\$ 30,000	ESD Grant	\$ 93,565	23%
Entrepreneur Financial Support & Programming	290,000	Grantee Equity-Private (Foundation)	153,218	38%
Furniture, Supplies & Marketing Materials & Conferences	80,000	Public (Federal EDA)	153,217	38%
Total Project Costs	\$400,000	Total Project Financing	\$ 400,000	100%

Grantee Contact - Mr. John J. Seman, CEO
c/o NYS Center of Excellence in Bioinformatics and Life Sciences
701 Ellicott Street
Buffalo, NY 14203
Phone: (888) 543-3250 Fax: (716) 849-6657

Project Team - Origination Ray Witzleben
Project Management Jean Williams
Contractor & Supplier Diversity Vikas Gera
Environmental Soo Kang

B. Launch New York Working Capital (X693)

July 18, 2013

Financial Terms and Conditions:

1. Upon execution of the grant disbursement agreement, the Grantee shall pay a commitment fee of 1% of the \$93,565 working capital grant (\$936).
2. The Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. The Grantee will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Grantee's written acceptance of ESD's offer. Equity is defined as cash injected into the project by the Grantee or by investors, and should be auditable through Grantee financial statements or Grantee accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Up to \$93,565 will be disbursed in arrears to Grantee, no more frequently than quarterly and in proportion to ESD's funding share, for eligible working capital expenditures incurred, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require including Program reports. Expenditures must be incurred on or after June 21, 2012, to be considered eligible project costs. All disbursements must be requested by April 1, 2014.

When fully implemented, Launch New York will provide identification, development, and funding of start-up, high-growth businesses. Training and business services and assistance will be provided as part of this process. In Phase I of implementation, Launch New York will yield the following deliverables:

1. Secure a CEO;
2. Secure initial entrepreneurs-in-residence in house;
3. Secure partner relationships to provide contracted services related to seed-stage entrepreneurship services and MWBE access;
4. Establish protocols for client identification, triage and development; and Set forth a communication plan and client and funder recruitment campaign.

Annually, over the next five years, Launch NY will report the following on its overall outcomes:

1. Number of business start-ups supported by Launch NY; and
2. Number and value of investments made by Launch NY

B. Launch New York Working Capital (X693)

July 18, 2013

5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$93,565, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

Non-Discrimination and Contractor & Supplier Diversity:

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this project. The Grantee shall be required to include minorities and women in any job opportunities created, (ii) solicit and utilize MWBEs for any contractual opportunities generated in connection with the project and (iii) use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation Goal of 30%. The overall goal shall include a Minority Business Enterprise ("MBE") Participation Goal of 18% and a Women Business Enterprise ("WBE") Participation Goal of 12% related to the total value of ESD's funding.

Statutory Basis – Economic Development Purposes Fund:

The project was authorized in the 2011-2012 New York State budget and reappropriated in the 2012-2013 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

C. HCIDA Revolving Loan and Grant Fund (Y374)

July 18, 2013

General Project Plan

- Grantee:** Herkimer County Industrial Development Agency (“HCIDA”)
- ESD Investment:** A grant of up to \$50,000 to fund a revolving loan/grant program for capital projects for small businesses.
- Project Locations:** Multiple locations, Herkimer County
- Proposed Project:** A revolving loan and grant fund to assist small business businesses with capital projects in Herkimer County.
- Project Type:** Revolving loan and grant fund
- Regional Council:** The Incentive Offer was accepted in May 2013. The project is consistent with the Mohawk Valley Regional Plan to promote and sustain a diverse, integrated, and dynamic economy that capitalizes on innovation and inclusiveness. Such an economy will attract and foster entrepreneurial spirit and renew the community.

Background:

Industry – HCIDA is Herkimer’s County lead agency for economic development services. In addition, it acts as a coordinating agency for corporate financing and incentive programs offered by local, regional, state, and federal agencies.

Company History – Herkimer County Industrial Development Agency was established in 1970 to promote, develop, and assist with economic development projects.

Ownership – Not-for-profit organization.

Size – All facilities located in Herkimer, NY.

Market – HCIDA serves the small business community providing financial and technical assistance for start-up and existing businesses in Herkimer County.

ESD Involvement – The HCIDA has successfully operated a Small Business Revolving Loan/Grant assisting 21 businesses with various projects that created significant number of jobs and investment in the county. However, its initial funding is now depleted. HCIDA has approached ESD for financial assistance to continue funding small businesses with its program. As a result of the Governor’s Regional Economic Development Council Initiative, HCIDA was awarded \$50,000 through the Consolidated Funding Application (“CFA”) process to fund the project.

C. HCIDA Revolving Loan and Grant Fund (Y374)

July 18, 2013

Competition – N/A

Past ESD Support – Since 1998, ESD has provided HCIDA five grants totaling \$1,204,000. These grants have been fully disbursed, and the HCIDA is in good standing with the various requirements on these projects.

ESD’s financial support to the HCIDA in the last five years is summarized in the chart below.

Program	Project #	Amount	Date Start (ESD Directors’ Approval date)	Date End (Project Completion: Contract Expiration)	Purpose
New York State Economic Development Assistance Program	W268	\$254,000	December 2008	May 2012	Capital Grant

The Project:

Completion – The project will remain open subject to availability of funds.

Activity – Herkimer County has established a Small Business Loan/Grant Fund to provide low-interest loan and grant funding for capital projects to expand and/or retain employment opportunities for businesses with less than ten employees. HCIDA will administer the fund and will be responsible for the day-to-day administrative tasks.

Result – The \$50,000 award from ESD will be given to small businesses in Herkimer in the form of \$2,000 grants and \$2,000 low interest loans. The business will have to invest at least \$2,000 of its own cash equity to qualify for the assistance.

Financing Uses	Amount	Financing Sources	Amount	Percent
Revolving Loans and Grants Fund	\$50,000	ESD Grant	\$50,000	100%
Total Project Costs	\$50,000	Total Project Financing	\$50,000	100%

Grantee Contact – Mark Feane, Executive Director
320 North Prospect Street
Herkimer, NY 13350
Phone: (315) 867-1373

Project Team –

Origination	Joseph Falcone
Project Management	Javier Roman-Morales
Environmental	Soo Kang

C. HCIDA Revolving Loan and Grant Fund (Y374)

July 18, 2013

Financial Terms and Conditions:

1. Upon execution of the grant disbursement agreement, the Grantee shall reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. Up to \$50,000 will be disbursed to the Grantee in two installments as follows:
 - a) an Initial Disbursement of an amount equal to 50% of the grant (\$25,000) will be advanced to the Grantee upon execution of a Grant Disbursement Agreement and receipt of required documentation, assuming that all project approvals have been completed and funds are available;
 - b) a Second Disbursement of an amount equal to 50% of the grant (\$25,000) will be disbursed upon documentation verifying disbursement of 80% of the first advance (\$20,000) and recipient's compliance with program reports and requirements, including meeting the stated purposes of the Herkimer County Small Business Revolving Loan Fund.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after May 6, 2013, to be considered eligible project costs.

All disbursements require compliance with ESD program requirements and must be requested by no later than April 1, 2016. Expenditures incurred prior to written acceptance of this Incentive Proposal cannot be reimbursed by grant funds. ESD will be entitled to recoup any advanced funds that are not disbursed by Recipient in a timely fashion.

ESD must approve the Herkimer County Small Business Revolving Loan Fund application, marketing material and deal sourcing strategies, due diligence process, loan and grant approval guidelines, underwriting policy and guidelines, portfolio management and monitoring processes, and goals.

ESD, via the Mohawk Valley Regional Office, will approve all funding recommendations. No single investment of ESD funds may exceed \$4,000 without written consent of ESD, via the Mohawk Valley Regional Office.

ESD Funds will be deposited in an account (the "Imprest Account") at a bank mutually acceptable to ESD as set forth in writing by ESD and the Grantee. Funds in the Imprest Account, from the time of deposit and until disbursed from such account in accordance

C. HCIDA Revolving Loan and Grant Fund (Y374)

July 18, 2013

with terms to be approved by ESD Directors, will be invested in accordance with ESD's Investment Guidelines. ESD shall be provided with copies of all account statements and reports in accordance with reporting requirements. All returns on ESD investments shall be kept in the same Imprest account and shall be used exclusively for subsequent Program loans and grants.

Recipient will report quarterly on investments and related Loan Fund activity. Such reports will contain information on investments, current status, leveraged funding, business revenue, job creation outcomes and other items as determined by ESD. Once the recipient has provided documentation verifying disbursement of the entire \$50,000 in grant funds, the Recipient will report annually on investments related Loan Fund activity.

4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$50,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

Environmental Review:

ESD staff has determined that the project constitutes a Type II ministerial action as defined by the New York State Environmental Quality Review Act ("SEQRA") and the implementing regulations of the New York State Department of Environmental Conservation. The recipient of fund disbursements will be responsible for complying with SEQRA as applicable. No further environmental review is required in connection with this authorization.

Statutory Basis – Economic Development Purposes Fund:

The project was authorized in the 2013-2014 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.



FOR CONSIDERATION

July 18, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Non-Discretionary Projects

REQUEST FOR: Authorization to Make Grants and to Take Related Actions

Attached are the summaries of projects sponsored by the New York State Executive and Legislative branches:

	Project Name	Proj #	Grantee	Assistance up to
	Community Projects Fund (Executive)			
A	Constitution Island Education Center Capital	U443	Constitution Island Association, Inc.	\$749,766
	Community Capital Assistance Program (Senate)			
B	Bay Ridge Center Capital	X943	Bay Ridge Center, Inc.	65,000
	TOTAL NON-DISCRETIONARY – 2 PROJECTS		TOTAL	\$814,766

I. Statutory Basis

The projects are sponsored by the Executive, Assembly or Senate, and were authorized or reappropriated in the 2013-2014 New York State budget. No residential relocation is required as there are no families or individuals residing on the site(s).

II. Environmental Review

Unless otherwise noted on a project summary, ESD* staff has determined that the projects constitute Type II actions as defined by the New York State Environmental Quality Review Act and the implementing regulations for the New York State Department of Environmental Conservation. No further environmental review is required in connection with the projects.

* The New York State Urban Development Corporation doing business as the Empire State Development Corporation ("ESD" or the "Corporation")

III. Non-Discrimination and Contractor & Supplier Diversity

Pursuant to New York State Executive Law Article 15-A, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority and women-owned businesses in the performance of ESD contracts. Accordingly, ESD's Non-discrimination and Contractor & Supplier Diversity policy will apply to the projects. Unless otherwise specified in the project summary, Grantees shall use their Good Faith Efforts to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation Goal of 23% related to the total value of ESD's funding. This shall include a Minority Business Enterprise ("MBE") Participation goal of 13% and a Women Business Enterprise ("WBE") Participation goal of 10%. Grantees shall use Good Faith Efforts to solicit and utilize MWBEs for any contractual opportunities generated in connection with the project and to include minorities and women in any job opportunities created by the projects.

IV. ESD Employment Enforcement Policy

Unless otherwise noted on a project summary, the ESD Employment Enforcement Policy will not apply since the projects will not directly create or retain jobs.

V. ESD Financial Assistance Subject to Availability of Funds and Additional Approval

The provision of ESD financial assistance is contingent upon the availability of funds and the approval of the State Division of the Budget.

VI. Additional Requirements

Pursuant to direction received from the New York State Office of the Attorney General (“OAG”), individual project summaries may be subject to comment and approval by the OAG.

Due diligence has been exercised by ESD staff in reviewing information and documentation received from grantees/borrowers and other sources, in preparation for bringing projects to the ESD Directors for approval. The due diligence process also involves coordination with a number of external constituents, including the OAG, and grantees/borrowers have provided ESD with the required Disclosure and Accountability Certifications.

Also, pursuant to s.2879-a of the Public Authorities Law, the Office of the State Comptroller (“OSC”) has notified the Corporation that it will review all grant disbursement agreements (“GDAs”) of more than one million dollars (\$1 million) that are supported with funds from the Community Projects Fund (“007”). Such GDAs, therefore, will not become valid and enforceable unless approved by the OSC. A clause providing for OSC review will be included in all GDAs that are subject to such approval.

VII. Additional Submissions to Directors

New York State Maps
Resolutions
Project Summaries

July 18, 2013

Community Projects Fund - Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Community Capital Assistance Program Project (the "Project"), in accordance with Chapter 84 of the Laws of 2002 for the Community Capital Assistance Program, the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that there are no families or individuals to be displaced from the project area; and be it further

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the General Project Plan (the "Plan") for the Project submitted to this meeting, together with such changes therein as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, a copy of which Plan, together with such changes, are hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, that upon written findings of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written findings being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make grants to the parties and for the amount listed below from the Community Capital Assistance Program, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grants as he or she may deem necessary or appropriate in the administration of the grants; and be it further

RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

Community Projects Fund – Executive – Project Summary Table

	Project Name	Proj #	Grantee	Assistance up to
	Community Projects Fund (Executive)			
A	Constitution Island Education Center Capital	U443	Constitution Island Association, Inc.	\$749,766

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

* * *

July 18, 2013

Community Capital Assistance Program – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Community Capital Assistance Program Project (the “Project”), in accordance with Chapter 84 of the Laws of 2002 for the Community Capital Assistance Program, the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the General Project Plan (the “Plan”) for the Project submitted to this meeting, together with such changes therein as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, a copy of which Plan, together with such changes, are hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, that upon written findings of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written findings being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make grants to the parties and for the amount listed below from the Community Capital Assistance Program, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grants as he or she may deem necessary or appropriate in the administration of the grants; and be it further

RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

Community Capital Assistance Program – Senate - Project Summary Table

	Project Name	Proj #	Grantee	Assistance up to
	Community Capital Assistance Program (Senate)			
B	Bay Ridge Center Capital	X943	Bay Ridge Center, Inc.	\$65,000

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

* * *

July 18, 2013

Cold Spring (Mid-Hudson Region – Putnam County) – Constitution Island Education Center Capital – Community Projects Fund - Capital Grant – Determination of No Significant Effect on the Environment

RESOLVED, that based on the material submitted to the Directors with respect to the Constitution Island Educational Center Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

B. Bay Ridge Center Capital (X943)

July 18, 2013

General Project Plan

- Grantee:** Bay Ridge Center, Inc. (the “Center”)
- ESD Investment:** A grant of up to \$65,000 to be used for the cost of purchasing a minivan.
- Project Location:** 6935 4th Avenue, Brooklyn, Kings County
- Proposed Project:** Purchase of a handicap equipped mini van to provide transportation to senior citizens participating at the Center.
- Project Type:** Vehicle acquisition
- Regional Council:** The New York City Regional Council has been made aware of this item. The project predates the Regional Council Initiative. The project is consistent with the New York City Regional Plan to invest resources in essential services that are necessary to improve quality of life across the five boroughs.

Background:

Industry – Social services and programs for senior citizens in Bay Ridge, Brooklyn.

Organizational History – The Bay Ridge Center is a not-for-profit, community-based, multi-service center located in the Bay Ridge neighborhood of Brooklyn. The Center was established in October 1976 to improve the quality of life for the area’s senior population, to assist those in need, and to stabilize those at risk of being displaced from their homes and neighborhood. In conjunction with Jewish Association for the Aging and Catholic charities, the Center also provide a range of in-home services including meals-on-wheels, case assistance, telephone reassurance, information and referral. In 2012, the Center delivered approximately 140,000 meals to seniors in southwest Brooklyn.

Size – All facilities are located in Brooklyn, Kings County.

ESD Involvement - The project was reappropriated in the 2013-2014 New York State budget.

Past ESD Support - This is the Grantee’s first project with ESD.

Bay Ridge Center Capital (X943)

July 18, 2013

The Project:

Completion – December 2013

Activity – The Center will purchase a new mini van to replace an aging van that is in a constant state of repair.

Results - The vehicle will help the Center to provide transportation for medical appointments, senior services, and essential shopping and services needed by the neighborhood's aging population.

Financing Uses	Amount	Financing Sources	Amount	Percent
Vehicle Acquisition	\$65,000	ESD Grant	\$65,000	100%
Total Project Costs	\$65,000	Total Project Financing	\$65,000	100%

Grantee Contact - Marianne Nicolosi, Executive Director
6935 4th Avenue
Brooklyn, NY 11209
Phone: (718) 748-0650 Fax: (718) 680-5143

Project Team - Project Management Javier Roman-Morales
Environmental Soo Kang
Contractor & Supplier Diversity Vikas Gera

Financial Terms and Conditions:

1. Upon execution of the grant disbursement agreement, the Grantee shall reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. Up to \$65,000 will be disbursed to Grantee upon completion of the project substantially as described in these materials, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require.
4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$65,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total

Bay Ridge Center Capital (X943)

July 18, 2013

amount of assistance approved by the Directors.

Non-Discrimination and Contractor & Supplier Diversity:

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Grantee shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women Business Enterprise ("MWBEs") for any contractual opportunities generated in connection with the Project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 25% related to the total value of ESD's funding.

Statutory Basis – Community Capital Assistance Program:

The project was authorized in the 2008-2009 New York State budget and reappropriated in the 2013-2014 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

Disclosure and Accountability Certifications:

The Grantee has provided ESD with the required Disclosure and Accountability Certifications. Grantee's certifications indicate that Grantee has no conflict of interest or good standing violations and, therefore, staff recommends that the Corporation authorize the grant to the Grantee as described in these materials.



FOR CONSIDERATION

July 18, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Chemung County – Local Assistance – Hurricane Irene - Tropical Storm Lee Flood Mitigation (Capital Grant)

REQUEST FOR: Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the General Project Plan; Authorization to Make a Grant and to Take Related Actions

I. Project Summary

	Project Name	Proj #	Grantee	Assistance up to
	Local Assistance – Hurricane Irene-Tropical Storm Lee Flood Mitigation (Executive)			
A	Chemung County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital	X896	Chemung County	\$370,000
	TOTAL HURRICANE IRENE-TROPICAL STORM LEE FLOOD MITIGATION – 1 PROJECT		TOTAL	\$370,000

II. Program Description

A. Background

Hurricane Irene made landfall in New York on August 28, 2011. Shortly thereafter, Tropical Storm Lee struck New York on September 7, 2011. Both storms caused extensive flooding and substantial damage across New York. Following the aftermath of Hurricane Irene and Tropical Storm Lee, President Obama issued a state of emergency declaration for New York State, which

allowed affected New Yorkers access to federal disaster relief funds. In an effort to provide additional flood disaster related relief aid, Governor Cuomo and the legislature created the Hurricane Irene - Tropical Storm Lee Flood Recovery Grant Program and appropriated \$50 million for assistance to businesses and communities that suffered losses as a result of these disasters. The enabling legislation designated \$9 million of the appropriation to be used for the Hurricane Irene – Tropical Storm Lee Flood Mitigation Grant Program (the “Program”), for grants to counties for flood mitigation or flood control projects in creeks, streams and brooks, and authorizes and empowers ESD, in consultation with the Department of Environmental Conservation (“NYSDEC”), to establish guidelines and such additional eligibility criteria as it deems necessary to effectuate the administration of this allocation for the benefit of counties included in the federal disaster declaration. An additional \$7 million from a New York State Department of Homeland Security and Emergency Services (“Homeland Security”) appropriation has been allocated for flood mitigation or flood control projects in creeks, streams and brooks.

Eligible Areas: Counties subject to the federal disaster declaration include Albany, Bronx, Broome, Chemung, Chenango, Clinton, Columbia, Delaware, Dutchess, Essex, Franklin, Greene, Hamilton, Herkimer, Kings, Montgomery, Nassau, New York, Oneida, Orange, Otsego, Putnam, Queens, Rensselaer, Richmond, Rockland, Saratoga, Schenectady, Schoharie, Sullivan, Suffolk, Tioga, Tompkins, Ulster, Warren, Washington, and Westchester Counties.

Eligible counties will receive grants between \$300,000 and \$500,000 for flood mitigation or flood control projects in those creeks, streams and brooks impacted by Hurricane Irene and/or Tropical Storm Lee. ESD shall give preference to applicants that demonstrate the greatest need, based on available flood damage data provided by applicable federal agencies. Priority also may be given to remediation which, if not undertaken, may result in additional flooding. Counties may jointly apply for assistance and the amount for such joint grants may equal the sum of the amounts that would have been separately available to the individual counties making the joint application.

Projects that are eligible for grants under this Program shall include the following:

- (1) Removal of flood debris located in stream channels and/or floodways within Eligible Areas;
- (2) Removal of gravel in or directly around bridges, culverts and other infrastructure that threatens public and private infrastructure integrity or that significantly constrains the conveyance of water flows and by not removing such material(s) would likely exacerbate flooding from future high flow events;
- (3) Installation or repair of stream bank stabilization measures;

(4) Stream channel restoration to pre-flood depth, width, gradient, and where appropriate channel characteristics, and stream channel stabilization involving natural stream design techniques;

(5) Stream bank restoration involving the removal of side cast bed load material, reconnecting a stream with its flood plain, and re-grading to pre-flood elevations combined with vegetative planting and stabilization;

(6) Culvert repair or replacement with preference given to replacement of culverts with bridging infrastructure, or by upgrading the size of culverts to ensure adequate future flows; and

(7) Those projects eligible and approved by the United States Department of Agriculture Natural Resource Conservation Service's ("NRCS") Emergency Watershed Protection ("EWP") Program. Projects eligible under NRCS's EWP program include, stream debris removal, stream bank stabilization and restoration, establishing cover on critically eroding lands, and repairing conservation practices necessary to relieve the immediate hazards to life and property created by Hurricane Irene and Tropical Storm Lee.

Eligible Costs: These funds may be used for the planning, design and implementation of eligible projects. Only planning costs which are a component of a specific project, which will receive funding under this Program, will be considered eligible costs. Local or regional flood planning initiatives are not eligible under this Program. In order for a project cost to be eligible, such cost must be reasonable and necessary as determined by ESD and NYSDEC. All work must be done in compliance with all applicable federal, state and local regulations.

Staff prepared guidelines for the implementation and administration of the Program, and were approved by the Directors at its January 20, 2012 meeting. The guidelines set forth the various Program requirements, including submission requirements, necessary documentation and appeal and audit processes.

B. The Projects

Twenty-three counties accepted grant awards for Flood Mitigation projects. Seventeen counties, 15 of whom received Flood Mitigation Grant awards, accepted grant awards that are funded by the Homeland Security funding. In total, ESD is administering grants for fund mitigation activities for 25 counties.

Each county's grant award(s) will be presented to the ESD Directors' for approval as each county nears first disbursement requirements. ESD will enter into an agreement with each Grantee that will stipulate the manner in which funds will be disbursed. One project is being presented for approval today; other project(s) will be presented at a later date.

The attached project schedule provides a more detailed description of the recommended project.

III. Statutory Basis

The projects are sponsored by the Executive, and were reappropriated in the 2012-2013 New York State budget. No residential relocation is required as there are no families or individuals residing on the site(s).

IV. Environmental Review

Unless otherwise noted on a project summary, ESD* staff has determined that the projects constitute Type II actions as defined by the New York State Environmental Quality Review Act and the implementing regulations for the New York State Department of Environmental Conservation. No further environmental review is required in connection with the projects.

* The New York State Urban Development Corporation doing business as the Empire State Development Corporation ("ESD" or the "Corporation")

V. Non-Discrimination and Contractor & Supplier Diversity

Pursuant to New York State Executive Law Article 15-A, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority and women-owned businesses in the performance of ESD contracts. Accordingly, ESD's Non-discrimination and Contractor & Supplier Diversity policy will apply to the projects. Unless otherwise specified in the project summary, Grantees shall use their Good Faith Efforts to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation Goal of 20% related to the total value of ESD's funding. This shall include a Minority Business Enterprise ("MBE") Participation goal of 10% and a Women Business Enterprise ("WBE") Participation goal of 10%. Grantees shall use Good Faith Efforts to solicit and utilize MWBEs for any contractual opportunities generated in connection with the projects and to include minorities and women in any job opportunities created by the projects.

VI. ESD Employment Enforcement Policy

Unless otherwise noted on a project summary, the ESD Employment Enforcement Policy will not apply since the projects will not directly create or retain jobs.

VII. ESD Financial Assistance Subject to Availability of Funds and Additional Approval

The provision of ESD financial assistance is contingent upon the availability of funds and the approval of the State Division of the Budget.

VIII. Additional Submissions to Directors

New York State Maps
Resolutions
Project Summaries

July 18, 2013

Local Assistance – Hurricane Irene - Tropical Storm Lee Flood Mitigation Capital - Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the General Project Plan; Authorization to Make a Grant and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Local Assistance – Hurricane Irene - Tropical Storm Lee Flood Mitigation Capital Project (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area(s); and be it further

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project Plan (the “Plan”) for the Project submitted to this meeting, together with such changes therein as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, a copy of which Plan, together with such changes, are hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearings held on the Plan, such Plan shall be effective at the conclusion of such hearings, and that upon such written findings being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make a grant to the party and for the amount listed below from Local Assistance – Hurricane Irene - Tropical Storm Lee Flood Mitigation and/or the New York State Division of Homeland Security and Emergency Services, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration of the grant; and be it further

RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

Local Assistance – Hurricane Irene - Tropical Storm Lee Flood Mitigation - Executive –
Project Summary Table

	Project Name	Proj #	Grantee	Assistance up to
A	Chemung County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital	X896	Chemung County	\$370,000
			TOTAL	\$370,000

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

* * *

**A. Chemung County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital
(X896)**

July 18, 2013

General Project Plan

- Grantee:** Chemung County (the “County”)
- Beneficiary Organization:** Chemung County Soil & Water Conservation District (“Chemung SWCD”)
- ESD Investment:** A grant of up to \$370,000 to be used for a portion of the cost of flood mitigation and flood control projects within the County.
- Project Locations:** Towns of Southport, Big Flats, Chemung, Horseheads, Veteran and Ashland; Chemung County
- Project Type:** The project will entail flood mitigation activities to reduce future flooding at the Project Locations.
- Regional Council:** The Southern Tier Regional Council has been made aware of this item. The project will help to protect the natural beauty and resources of the region, enabling it to create a vibrant future by promoting and sustaining a diverse, integrated and dynamic economy that capitalizes on technology and innovation to drive collaboration, inclusiveness and efficiency in all endeavors.

Background:

History – Chemung County is located in the Southern Tier Region. The County was formed from 520 square miles of Tioga County in 1836. In 1854, the County was divided and 110 square miles became Schuyler County, which reduced Chemung County to 410 square miles, its current size.

The Chemung SWCD has a mission to protect and enhance the natural resources of Chemung County by developing partnerships and implementing innovative solutions. Tasks of the Chemung SWCD include water quality management, seedling programs, stream stabilization, pond services, agricultural land, erosion control and conservation education.

Size – The 11 proposed projects are drawn from a total of 15 known sites where erosion is damaging properties in Chemung County.

ESD Involvement – a \$370,000 appropriation was included in the 2013-2014 New York State budget. The funding award was made in conjunction with the New York State Department of Environmental Conservation.

**Chemung County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital
(X896)**

July 18, 2013

Past ESD Support – In 2000, the Grantee received a \$500,000 grant for the installation of a natural gas line. The project is complete and the funds have been fully disbursed. This is the first grant to Chemung SWCD.

The Project:

Completion – November 2013

Activity – The Chemung County Soil & Water Conservation District, as the sponsoring organization for Chemung County, will undertake the following 11 projects included in the application submitted by Chemung County. The projects commenced in spring of 2013 and will conclude in the fall of 2013.

Corning Gas Exposed: This project involves the stabilization of approximately 775' long by 27' high by 3' deep of Seeley Creek with rip rap, along with the installation of three rock vanes. A 160' of exposed gas line will also be covered.

Dominion Gas Line Exposed: This project entails re-aligning and re-establishing the stream channel back to its previous location, cover 30' of exposed gas line that crosses Cuthrie Run, install two stream barbs/rock vanes to maintain newly aligned stream channel, and remove excess debris.

Dry Brook Road Sloughing of Roach and Embankment: This project includes the stabilization of approximately 135' long by 30' high by 3' deep of Dry Brook Road with rip rap.

River Road Bank Failure: This project involves the stabilization of approximately 255' long by 12' high by 3' deep of the Chemung River with a stacked rock wall. Wall will be excavated 2' below river bed grade.

Latta Brook Concrete Wall Failure: This project involves the repair and replacement of an approximately 100' section of concrete wall located on Latta Brook.

Monastery Road Stream Bank Erosion: This project involves the stabilization of approximately 450' of eroded stream bank, endangering the stability of Monastery Road. A 300' staked wall will be constructed with a 150' footer and seawall block.

Beckhorn Hollow Box Culvert Replacement: This project involves the replacement of an existing bridge with a box culvert.

Owen Hollow Road Bank Gabion Failure: This project involves the stabilization of 150' of

**Chemung County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital
(X896)**

July 18, 2013

eroded stream bank. Existing gabion baskets would be used to protect stream bed and a 150’ staked rock wall will be built to protect the road embankment.

Beaver Brook Stream Bank Stabilization: This project involves the stabilization of 200’ of eroded stream bank on Beaver Brook. Longitudinal peak stone protection with bend way weirs and stabilized with vegetative plantings.

State Bridge/Rail Road Gravel and Debris Removal: This project involves the removal of gravel and debris from the stream bank and channel. Woody debris will be chipped.

Newtown Creek Debris Removal: This project involves the removal of gravel and debris from the stream bank and channel. Woody debris will be chipped.

Results – The projects will remediate, mitigate and reduce future flooding in the selected areas affected by Hurricane Irene and Tropical Storm Lee.

Financing Uses	Amount	Financing Sources	Amount	Percent
Flood Mitigation Projects	\$1,224,321	ESD Grant	\$370,000	30%
		Local Funding	854,321	70%
Total Project Costs	\$1,224,321	Total Project Financing	\$1,224,321	100%

Grantee Contact - Thomas J. Santulli, County Executive
Chemung County
203 Lake Street
Elmira, NY 14902
Phone: (607) 737-2912 Fax: (607) 737-0351

Beneficiary Contact - Mark Watts, District Manager
Chemung SWCD
851 Chemung Street
Horseheads, NY 14845
Phone: (607) 739-2009 Fax: (607) 739-4392

Project Team - Project Management Jared Walkowitz
Contractor & Supplier Diversity Vikas Gera
Environmental Soo Kang

Financial Terms and Conditions:

1. Upon execution of the grant disbursement agreement, the Grantee shall reimburse ESD for all out-of-pocket expenses incurred in connection with the project.

**Chemung County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital
(X896)**

July 18, 2013

2. The Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. Up to \$370,000 will be disbursed to Grantee as follows:

Corning Gas Exposed: Up to \$50,000 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$201,990.

Dominion Gas Line Exposed: Up to \$16,000 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$41,432.

Dry Brook Road Sloughing of Roach and Embankment: Up to \$50,000 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$248,040.

River Road Bank Failure: Up to \$40,000 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$160,425.

Latta Brook Concrete Wall Failure: Up to \$14,000 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$57,493.

Monastery Road Stream Bank Erosion: Up to \$50,000 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$66,869.

Beckhorn Hollow Box Culvert Replacement: Up to \$50,000 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$160,834.

Owen Hollow Road Bank Gabion Failure: Up to \$25,000 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$39,145.

**Chemung County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital
(X896)**

July 18, 2013

Beaver Brook Stream Bank Stabilization: Up to \$20,000 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$34,823.

State Bridge/Rail Road Gravel and Debris Removal: Up to \$40,000 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$190,925.

Newtown Creek Debris Removal: Up to \$15,000 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$22,345.

Disbursements shall be made assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after August 1, 2012 to be considered eligible project costs.

4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$370,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

Non-Discrimination and Contractor & Supplier Diversity:

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this project. The Grantee shall be required to include minorities and women in any job opportunities created, solicit and utilize Minority and Women Business Enterprise ("MWBEs") for any contractual opportunities generated in connection with the project and use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 10% related to the total value of ESD's funding.

Statutory Basis – Local Assistance:

The project was authorized in the 2011-2012 New York State budget and reappropriated in the 2013-2014 New York State Budget. No residential relocation is required as there are no families or individuals residing on the site.

Disclosure and Accountability Certifications:

The Grantee and Beneficiary have provided ESD with the required Disclosure and Accountability Certifications. Grantee's and Beneficiary's certifications indicate that Grantee

**Chemung County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital
(X896)**

July 18, 2013

and Beneficiary have no conflict of interest or good standing violations and, therefore, staff recommends that the Corporation authorize the grant to the Grantee as described in these materials.

FOR CONSIDERATION

July 18, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: New York City (New York County) -- Victoria Theatre Redevelopment Land Use Improvement and Civic Project

REQUEST FOR: Affirmation of Land Use Improvement and Civic Project Findings Pursuant to Section 10 of the New York State Urban Development Corporation Act, as amended (the "UDC Act"); Affirmation of the General Project Plan as Modified (the "MGPP"); Approval of Ground Lease With Option to Purchase; Adoption of Findings Pursuant to the State Environmental Quality Review Act ("SEQRA"); Adoption of Finding Pursuant to the Public Authorities Law; Override of the New York City Zoning Ordinance and New York City Charter Uniform Land Use Review Procedure; and Authorization to Take Related Actions

Developer: 233 West 125th Street Danforth, LLC, an affiliate of Danforth Development Partners, LLC ("Danforth"), the Conditionally Designated Developer.

Project Location:
And Site 233-235 West 125th Street
New York County, New York City
a/k/a Manhattan Block 1931, Lot 17 ("Project Site")
The Project Site is a "T-shaped" through lot of approximately 20,000 SF connecting West 125th and West 126th Streets with approximately 50 feet of frontage along West 125th Street and 150 feet of frontage along West 126th Street. The Project Site is currently improved by a three-story, approximately 40,000 square foot theater, the former Lowes Victoria Theater.

Proposed Project: The Project consists of: (a) redevelopment of the historic Victoria Theater, preserving and restoring elements of the original theater; and (b) creating a 27-story, approximately 385,000 square foot ("SF") mixed-use building consisting of hotel, arts and culture, residential, dining and entertainment, retail, and parking uses. The Project will create jobs, increase the inventory of hotel rooms in Harlem, provide a permanent facility for cultural

organizations, and increase the inventory of affordable housing in Harlem.

ESD/
Harlem CDC Investment: An ESD Metropolitan Economic Revitalization Fund Loan of up to \$5,000,000.

Project Summary

For a complete description of the Project, please see the Modified General Project Plan (“MGPP”) that is attached as Attachment 1.

Background

On July 18, 2012, the Directors adopted the General Project Plan for the Project (“GPP”) and authorized staff to conduct a public hearing on the GPP and with respect to the Draft Environmental Impact Statement, or “DEIS,” prepared in connection with the Project.

Pursuant to the requirements of the Public Authorities Law, the Corporation’s subsidiary, Harlem Community Development Corporation (“Harlem CDC”), the owner of the Project Site, obtained an independent appraisal of the fair market value of the Project Site, based upon existing zoning requirements. The fair market value was determined to be \$21.6 Million.

Project Description:

The major components of the Project are listed below:

- Harlem CDC will enter into a ground lease with option to purchase with Developer or an affiliate of Developer;
- The ground lease is expected to be executed in the first quarter of 2014, prior to or simultaneously with Developer closing on construction financing for the Project;
- The ground lease will commence on the date of lease execution and have a term of approximately 30 months, during which time Developer will substantially complete construction;
- Developer will have an option to purchase the majority of the Project Site, excepting the cultural space, exercisable by delivering a temporary certificate of occupancy for the improvements to be constructed at the Project Site and satisfying other conditions, including the payment of a \$25 million purchase price to Harlem CDC in accordance with a payment structure and schedule described in the MGPP and the satisfaction of other conditions described in the MGPP; and
- Developer will restore portions of the existing buildings and construct a 27-story, approximately 385,000 square foot (“SF”) mixed-use building consisting of hotel, arts and culture, residential, dining and entertainment, retail, and parking uses.
- The essential terms of the proposed ground lease with option to purchase are included as Attachment 2.

Public Hearing and Recent Actions

Pursuant to authorizations granted by the Directors on July 18, 2012, Harlem CDC and ESD held a duly noticed public hearing on the Project on December 10, 2012 at which oral and written comments were received from the public. Further written comments were accepted through January 10, 2013. The purpose of the hearing, and of the comment period, was to inform the public about the Project and solicit public comment on: (a) pursuant to Section 16 of the UDC Act, the proposed GPP for the Project; (b) pursuant to Section 6 of the UDC Act, the essential terms of a proposed lease and related documents with Developer; and (c) pursuant to Article 8 of the Environmental Conservation Law and the regulations adopted thereunder (collectively known as "SEQRA"), the DEIS prepared for the Project by AKRF, Inc. A summary of all public comments received is set forth below under "Hearing Comments and Responses". A transcript of the hearing, and copies of the written comments received, are enclosed with these materials as Attachment 2.

The Directors accepted the Project's Final Environmental Impact Statement ("FEIS") at their meeting on April 26, 2013. The FEIS reflected changes made to the Project since the issuance of the DEIS, and included a chapter summarizing the public comments and provided responses to such comments.

Hearing Comments and Responses

As stated, a duly noticed public hearing was held on December 10, 2012, at which oral and written comments were received from elected officials, interested individuals and local agencies and organizations. Harlem CDC and ESD received twenty-one (21) oral and twelve (12) written comments. The comments were overwhelmingly in support of the Project. Supportive comments focused on the many public benefits, the support for cultural organizations and the other purposes to be served by the Project. The full Response to Comments is included in the FEIS. Set forth below are the principal adverse comments, made by two individual members of the public, along with Harlem CDC and ESD responses thereto, numbered to correspond with the numbering in the full Response to Comments.

Comment 1: Community Board members are concerned that there is no meaningful community input or vote on State-sponsored projects. As with City projects, there should be a mechanism with State projects for community input to be recognized.

Response: Pursuant to SEQRA and the UDC Act, all members of the public (including Community Boards) have been invited and encouraged to provide comments on the GPP and DEIS. As noted in the EIS, the public has had the opportunity to make comments on the Draft Scope of Work for the preparation of the EIS, the DEIS, and the GPP, and all submitted comments have been considered by ESD and Harlem CDC. Developer formally presented the project to Manhattan Community Board 10 on April 19, 2012.

Comment 2: The community has followed this project for years and nothing has come to fruition. The project, from beginning to end, has been misrepresented from its inception. We

were misinformed and told that the developer had the contract to do the project. Not so—we found out that the developer only had a Memorandum of Understanding. A Memorandum of Understanding is not a contract. We're tired of doors being closed and the politicians or whoever represents us, go behind these doors, do private business, and come back and not tell us what they're doing.

Response: HCDC and ESD worked diligently to advance the project from an RFP in 2004 to conditional developer designation in 2007, and worked collectively with the Developer to navigate through capital and real estate market changes in 2008 and 2009. The adoption of the GPP and acceptance of the DEIS in July 2012 represent significant milestones toward bringing the project to fruition. ESD issued a press release on November 27, 2007 announcing HCDC's conditional designation of Danforth to be the developer of the project, and indicating that Danforth had executed a Memorandum of Understanding with HCDC. The proposed project has been subject to public review and comment pursuant to SEQRA and the UDC Act, as explained in the response to Comment 1.

Comment 3: HCDC meetings have been held without any announcement to the community at large in that meeting. Hearings have been erratic in the past and you don't know when they're holding hearings. Therefore, the community did not have an opportunity to come out and speak against this project.

Response: The Board of Directors of HCDC meets on a regularly scheduled basis, typically every other month. Special board meetings are called as needed. The schedule of regular meetings for the year is generally established by the Board at the beginning of the year. Consistent with New York State law, HCDC Board meetings are publicly announced and posted by its parent corporation. A Public Hearing was held on December 10, 2012 to obtain comments on the DEIS and the GPP. Notice of the Public Hearing was published in the New York Amsterdam News on November 8, 2012 and the New York Daily News on November 9, 2012, and was posted on the web sites of HCDC and ESD. A Public Scoping meeting for the DEIS was held on December 15, 2008. Notice of the Public Scoping was published in the City Record and the Environmental Notice Bulletin and was also posted to the web sites of ESD and HCDC.

Comment 4: Thousands of people in this community have signed that they do not want this project, yet it's been pushed forward. We feel that it insults the cultural integrity of this community. We're not interested in the Victoria Theater being carved up so that some people can make money.

Response: Support for the proposed project has been expressed by members of the local community, community stakeholders and elected officials. No petitions or other significant numbers of "signatures" have been received by ESD or HCDC in opposition to the proposed project. As noted in the EIS, while economic development is an important purpose of the proposed project, there are many other goals as well, including the provision of affordable housing, rehabilitation and reuse of an important Harlem landmark, and provision of facilities for local arts organizations.

Comment 5: I received an email that appeared to come from HUDC asking me to come to this meeting to support the project. If we were to come to give our opinion, why are you sending out a document saying that we should come basically only if we support this particular development.

Response: HCDC did not circulate an email asking the public to support the project. Notice of the Public Hearing was published in the New York Amsterdam News on November 8, 2012 and the New York Daily News on November 9, 2012, and was posted on the web sites of HCDC and ESD, inviting any and all comments on the proposed project. The public review of the proposed project includes an opportunity for all opinions to be expressed. All pertinent comments made in person or in writing are taken into consideration.

Comment 6: There are some so-called community organizations who feel they have a right to destroy this building or this theater so that they can get free or close to free rent. That may advance them personally but it harms the community.

Response: As noted in the EIS, the project is expected to result in a number of benefits to the community, City and State. The proposed project would provide important affordable space for local cultural organizations, which would pay nominal rent and all operating and occupancy costs associated with use of the space; create much-needed affordable and market-rate housing; generate new sources of employment and economic activity; and create a new hotel for an underserved market. The cultural arts partners are all well-established local community based organizations. While the north portion of the site does require demolition, the south portion would be restored. Overall, the proposed project would preserve and celebrate the heritage of the Victoria Theater and its role in the history of 125th Street, and contribute to the ongoing revitalization of 125th Street as a premier art, culture and entertainment district.

Modifications to the General Project Plan

Subsequent to the issuance of the original GPP adopted by ESD on July 18, 2012 and the DEIS, in the process of refining the architectural design for the Project, certain changes were made to the conceptual design of the proposed Project. These changes included:

- Increasing the building height by ten feet, from approximately 290 feet to approximately 300 feet, excluding rooftop mechanical space. This change was made to accommodate structural design considerations and clear ceiling heights required for the proposed theater spaces and the hotel ballroom.
- Eliminating the vehicular driveway, which would have entered the site from West 126th Street. This has been replaced by a proposed curb-side hotel loading and drop-off zone on West 126th Street.
- Reorganizing program elements on the project's lower floors, including moving some of the retail space to the ground floor, creating a new mezzanine floor (now called the fourth floor), and relocating some of the theater support functions to the new mezzanine floor.

As a result of the above changes and the need to address fire and safety code compliance requirements, the overall gross square footage of the building has increased from approximately 360,000 square feet to approximately 385,000 square feet. The number of hotel rooms, residential units and parking spaces have not increased, and the size of the cultural program components remains the same as in the DEIS.

Land Use Improvement and Civic Project Findings

Staff has reviewed the modifications to the GPP and concluded that the modifications do not have an effect on the findings the Directors made when adopting the GPP. The Directors are therefore requested to affirm the Land Use Improvement and Civic Project findings as set forth below and restated in the MGPP.

Land Use Improvement Project Findings

(1) That the area in which the project is to be located is a substandard or insanitary area, or is in danger of becoming a substandard or insanitary area and tends to impair or arrest the sound growth and development of the municipality;

The Project Site has been substantially vacant since 1997. There has been prolonged water infiltration, heavy mold growth and chronic deterioration at the Project Site that result in insanitary and substandard conditions that threaten the structural integrity of the buildings and seriously undermine the long term viability of this historically significant structure.

(2) That the project consists of a plan or undertaking for the clearance, re-planning, reconstruction and rehabilitation of such area and for recreational and other facilities incidental or appurtenant thereto;

The Project includes the restoration or reconstruction of some of the historic architecture at the Project Site in addition to the construction of hotel, cultural and retail spaces that will increase commercial traffic and tourism in the area.

(3) That the plan or undertaking affords maximum opportunity for participation by private enterprise, consistent with the sound needs of the municipality as a whole.

The Developer is responsible for the payment of all costs associated with the Project, including the \$12.6 million build-out of the cultural unit that Harlem CDC will own.

Civic Project Findings:

(1) That there exists in the area in which the project is to be located, a need for the educational, cultural, recreational, community, municipal, public service or other civic facility to be included in the project.

There are numerous cultural organizations in the Harlem community that provide performance and visual arts benefits to the community. Most are challenged by the tremendous overhead costs required to obtain and maintain affordable and suitable physical space for performances, exhibitions and back office operations.

(2) That the project shall consist of a building or buildings or facilities which are suitable for educational, cultural, recreational, community, municipal, public service or other civic purposes.

As more fully described within this MGPP, the Project includes the construction of performance and administrative office space, as well as shared lobby and box office areas that will be used by the cultural partners involved with the Project. The Project will add to and enhance existing area cultural and entertainment attractions.

(3) That such project will be leased to or owned by the state or an agency or instrumentality thereof, a municipality or an agency or instrumentality thereof, a public corporation, or any other entity which is carrying out a community, municipal, public service or other civic purpose, and that adequate provision has been or will be, made for the payment of the cost of acquisition, construction, operation, maintenance and upkeep of the project.

The Developer is obligated to build at its cost the cultural facility at the Project, which Harlem CDC will own and lease to the cultural organizations. The cultural organizations will pay a nominal rent to Harlem CDC but will be responsible for the payment of all costs associated with the operation and maintenance of the cultural facility space.

(4) That the plans and specifications assure or will assure adequate light air, sanitation and fire protection.

The Project would comply with all applicable Building Code(s), including making adequate provision for light, air, sanitation, and fire protection.

No findings regarding Project Site occupant relocation are required under Section 10(g) of the UDC Act because the Project Site is currently vacant and its most recent use was as a commercial facility. No residential relocation is required as there are no families or individuals residing on the Project site.

Labor Peace Agreement

Public Authorities Law Section 2879-b prohibits public authorities from entering into an agreement for the development of a project (in which the authority has a substantial proprietary interest) if the project includes, as one of its principal functions, a hotel with more than fifteen employees, unless the agreement requires, as a material condition, that a labor peace agreement ("LPA") is entered into with a labor organization representing hotel or

convention center employees in the State, for a period of at least five years. An LPA is an agreement between the project developer (or its contractor) and a labor organization prohibiting the labor organization and its members from engaging in labor activities that disrupt the hotel's operations. The statute also provides that the LPA requirement can be waived if the authority determines that the project would not be able to go forward with an LPA or the costs of the project to the authority would be substantially increased by such a requirement.

Although efforts were made to reach an LPA with respect to the Project, discussions between the Developer and the labor union did not result in agreement. Developer has requested that Harlem CDC and ESD waive this requirement with respect to the Project. In support of its request, Developer has submitted pro-forma financial projections for the Project and other information regarding its proposed operations reflecting the effect of increased wage and benefits costs assuming prevailing local union wages as the result of an LPA. The information submitted includes a memorandum and other objective supporting materials prepared by HVS Consulting and Valuation Services ("HVS"), a leading consulting and services organization in the hotel and leisure industries.

The HVS memorandum indicates that having an LPA in effect would increase the Project's hotel labor costs by approximately 60%. HVS concludes that the cash flow with an LPA in effect would not produce sufficient debt service coverage to give lenders adequate comfort as to the feasibility of the Project. Nor would the Project produce a reasonable or desirable return on investment to any owner or equity investor, thus rendering the market value of the Project with an LPA in effect so low as to be infeasible. Staff has reviewed the Developer's financial projections, along with the HVS memorandum and other supporting information, and agrees that the increased costs associated with implementation of an LPA, if it were required, would render the Project infeasible. Staff, therefore recommends that ESD waive the LPA requirement for this Project.

Design and Construction

The Project calls for the redevelopment of the vacant Victoria Theater including complete demolition of the north portion of the site and selective re-use and renovation of the existing theater façade, lobby and monumental lobby stair. Renovation/selective demolition is tentatively scheduled to begin, subject to written authorization by Harlem CDC, in 2014. ESD's Design & Construction staff ("D&C") will advise Harlem CDC on matters pertaining to project costs and compliance of the plans and related documents with design criteria established for the Project and additionally will attend construction meetings and monitor construction progress. D&C would have the right to review contractor requisitions and change orders for the Project, review and approve change orders and contractor requisitions with respect to the Cultural Condominium Unit, and in connection with any ESD MERF loan, D&C would verify that all construction requirements for the Project had been satisfied prior to disbursement of the loan.

Environmental Review and SEQRA Findings

ESD, acting as lead agency pursuant to the requirements of SEQRA and the implementing regulations of the New York State Department of Environmental Conservation, performed a detailed and comprehensive environmental review of the proposed Project. On July 18, 2012, the ESD Directors accepted as complete the Draft Environmental Impact Statement (“DEIS”) for the Project. Upon acceptance, the DEIS was circulated for public review and comment, the public hearing was held on December 10, 2012, and the public comment period remained open through January 10, 2013. As stated, a transcript of the hearing, and a copy of all written comments received, are enclosed with these materials. Specific responses to all comments made at the hearing and in writing are contained in Chapter 26 of the Project’s FEIS.

At an April 26, 2013 meeting, the ESD Directors accepted as complete the FEIS. The DEIS and FEIS considered the potential environmental effects of the Project as proposed in the General Project Plan.

SEQRA requires the adoption of written findings, supported by a statement of relevant facts and conclusions considered, prior to agency decisions on actions that have been the subject of a FEIS. The “SEQRA Findings Statement”, Attachment 3 to the MGPP attached hereto, contains the facts and conclusions in the DEIS and FEIS relied upon to support ESD’s decision on the Project, and indicates the social, economic and other factors and standards forming the basis of ESD’s decision.

The findings that ESD must adopt prior to the affirmation of the General Project Plan are that:

- ESD has given consideration to the DEIS and FEIS;
- The requirements of the SEQRA process, including the implementing regulations of the New York State Department of Environmental Conservation, have been met;
- Consistent with social, economic and other essential considerations from among the reasonable alternatives available, the Project is one that avoids or minimizes significant adverse environmental effects to the maximum extent practicable, including the effects disclosed in the FEIS, by incorporating as conditions to the decision those mitigation measures described in the FEIS;and
- The Project is in compliance with Section 14.09 of the State Historic Preservation Act.

Accordingly, staff recommends that ESD adopt the SEQRA Findings Statement attached as Exhibit 3 to the MGPP.

Zoning Override

The required size and financing for the Project dictates that the project will be developed in accordance with the Development Agreement to be attached to the Ground Lease as well as any other requirements to be established in Harlem CDC’s sole discretion.

The Project is an important community and economic development initiative for the 125th Street corridor and for Harlem. Its cultural and affordable housing components and the scope of its historic preservation program are elements that have been prioritized due to their importance to a broad range of community stakeholders. The cultural space will be constructed by the Developer and delivered debt free to the cultural partners. Fifty percent of the residential units will be affordable to low- and moderate-income households and individuals. The residential square footage was increased to allow for a larger percentage of family size affordable units to address concerns of Harlem CDC's Board. The market rate residential, hotel and retail spaces are effectively helping to finance the cultural space, the affordable units, and the historic preservation. Any reduction in building program for these debt-carrying elements would adversely impact the financial feasibility of the Project and its ability to deliver on the job development, business development and community revitalization goals and objectives that are important to the community.

For the reasons outlined above, it is not practicable for the Project to comply with the New York City Zoning Resolution ("ZR"). Staff therefore recommends that the Directors override the ZR and other local laws inclusive of the Uniform Land Use Review Procedure review and certification process. The zoning overrides requested will facilitate a taller building with a greater floor area ratio, among other variances, than what the underlying zoning for the site allows.

The requested overrides include, specifically: i) ZR 97-42, ZR 97-421, ZR 97-422, ZR 23-145, ZR 34-112 (Floor Area); ii) ZR 97-42; ZR 97-421, ZR 97-422, ZR 23-145 and ZR 34-112 (Floor Area Ratio); ZR 23-22 (Maximum Number of Units); iii) ZR 35-24 and ZR 94-442 (Maximum Building Height); iv) ZR 35-24 (Maximum Base Height); v) ZR 35-24 (Initial Setback Above Base Height); vi) ZR 94-442, ZR 97-443 (Minimum [C4-7] Base Height and Streetwall; vii) ZR 33-303 (Clearance when lot line is adjacent to neighboring rear lot line); and viii) ZR 25-62 (Minimum Square feet per car in an attended parking facility). The City of New York has been advised of and supports the Project and ESD's participation in the Project and the zoning overrides that are being requested.

Non-Discrimination & Contractor and Supplier Diversity

Pursuant to New York State Executive Law Article 15-A, ESD and Harlem CDC recognize their obligation under the law to promote opportunities for maximum feasible participation of New York State certified Minority and Women-owned Business Enterprises ("MWBEs") in the performance of ESD and Harlem CDC contracts. Accordingly, Harlem CDC's and ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to the Project. Developer and its affiliates and/or partners shall be required to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project and to use Good Faith Efforts (5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 30% in relation to the total value of the Project. The aforementioned goal shall be divided to include a Minority Business Enterprise ("MBE") Participation Goal of 22% and a Women Business Enterprise ("WBE") Participation Goal of 8%, both related to the total value of the Project.

Additional Submissions to the Directors

Resolutions

Attachment 1-

Modified General Project Plan

Attachment 2

Essential Terms of Proposed Ground Lease

Attachment 3

Hearing Transcript

July 18, 2013

NEW YORK (NEW YORK COUNTY)-VICTORIA THEATRE REDEVELOPMENT PROJECT – Affirmation of Land Use Improvement and Civic Project Findings pursuant to Section 10 of the UDC Act, as amended; Affirmation of the General Project Plan as Modified (the MGPP”); Approval of a Lease with Option to Purchase and Related Documents for the Project; Adoption of Findings Pursuant to the State Environmental Quality Review Act; Adoption of Finding Pursuant to Section 2879-b of the Public Authorities Law; Override of the New York City Zoning Resolution and Other Local Laws Inclusive of the New York City Uniform Land Use Review Procedure; and Authorization to Take Related Actions

RESOLVED, that, on the basis of the materials presented to this meeting and previously presented to the Directors, a copy of which is hereby ordered filed with the records of the Corporation (the “Materials”), relating to the Victoria Theater Redevelopment Land Use Improvement and Civic Project (the “Project”), the Corporation hereby affirms the Land Use Improvement and Civic Project Findings made by the Directors on July 18, 2012 pursuant to Section 10 of the New York State Urban Development Corporation Act, as amended (the “Act”), including all related findings, resolutions, determinations and authorizations made by the Harlem CDC board on July 13, 2012 with respect to the Project; and be it further

RESOLVED, that on the basis of the Materials, pursuant to Sections 16(2) and (3) of the Act and after due consideration of: (1) the testimony given at the public hearing held by Harlem Community Development Corporation and ESD on December 10, 2012 at the New York State Office building, 163 West 125th Street, New York, NY on the General Project Plan dated July 18, 2012 for the Project; (2) the entire record of such hearing; (3) the Final Environmental Impact Statement dated February 2013 adopted by the ESD Directors on April 26, 2013; (4) all written comments received on the Plan, copies of all of which were presented to this meeting and are ordered filed with the records of the Corporation, and substantially on the terms and conditions described in the Materials, the Corporation does hereby affirm the proposed Modified General Project Plan for the Project submitted to this meeting, together with such changes therein as the Presidents of the Corporation or of Harlem CDC or their designee(s) may deem appropriate (the “Plan”), a copy of which Plan, together with such changes, is hereby ordered filed with the record of the Corporation; and be it further

RESOLVED, that on the basis of the Materials, and substantially on the terms and conditions described in the Materials, the Corporation does hereby find that the proposed ground lease with option to purchase as set forth in the Materials is consistent with and will serve to further the Plan; and be it further

RESOLVED, that the proposed lease be and hereby is approved; and be it further

RESOLVED, that the Plan shall not be final until action is taken by the Directors of Harlem CDC and ESD as provided in the UDC Act and until such time as all requirements of the UDC Act and other applicable law in connection therewith have been satisfied; and be it further

RESOLVED, that, with respect to the Project, ESD, as the lead agency for the Project's environmental review, makes and adopts, pursuant to the State Environmental Quality Review Act ("SEQRA"), the following findings and determinations, which findings and determinations are made after full consideration of the ESD SEQRA Findings Statement attached to the Project's General Project Plan, which Findings Statement is hereby accepted by the Corporation, and copies of which Findings Statement are hereby ordered filed with the records of the Corporation relating to the Project:

- ESD has given consideration to the Draft and Final Environmental Impact Statements ("DEIS" and "FEIS", respectively) prepared for the Project;
- The requirements of the SEQRA process, including the implementing regulations of the New York State Department of Environmental Conservation, have been met;
- Consistent with social, economic and other essential considerations from among the reasonable alternatives available, the Project is one that will avoid or minimize significant adverse environmental effects to the maximum extent practicable, including the effects disclosed in the FEIS and the Findings Statement by incorporating as conditions to the decision those mitigation measures described in the FEIS and the Findings Statement; and
- The Project is in compliance with Section 14.09 of the State Historic Preservation Act; and be it further

RESOLVED, that in connection with the Project, the Corporation hereby finds, pursuant to Section 16(3) of the UDC Act, that it is not feasible or practicable for the Project to be in conformity with the requirements of the New York City Zoning Resolution ("City Zoning") and, with respect to any disposition of City-owned property, the Uniform Land Use Review Procedure of the New York City Charter ("ULURP"), and other local zoning law, and accordingly, ESD hereby overrides City Zoning and ULURP and other local zoning law for the specified purposes of the Project; and be it further

RESOLVED, that on the basis of the Materials, the Corporation hereby finds, pursuant to New York State Public Authorities Law Section 2879-b, that the Project would not be able to go forward if a labor peace agreement were required and hereby waives such requirement in connection with the Project; and be it further

RESOLVED, that the Chairman and Chief Executive Officer, or his designee, be, and each of them hereby is, authorized in the name of and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as may be considered necessary or appropriate to effectuate the foregoing resolutions.

* * *



FOR CONSIDERATION

July 18, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Brooklyn (Kings County) - Brooklyn Bridge Park – Civic and Land Use Improvement Project (the “Project”)

REQUEST FOR: Adoption of a Modification to the Modified General Project Plan; and Authorization to Take Related Actions

BACKGROUND

Brooklyn Bridge Park Development Corporation (“BBPDC”), a subsidiary of New York State Urban Development Corporation d/b/a Empire State Development (“ESD”), initiated the design and construction of the Project. The Project includes an approximately 85 acre Brooklyn Bridge Park (the “Park”). The Project’s approximate boundaries are Jay Street on the north, Atlantic Avenue on the south, Furman Street on the east and the East River on the west. On January 18, 2006, the BBPDC Board and the ESD Directors affirmed the adoption of the General Project Plan for the Project that has been subsequently modified (in accordance with the UDC Act and SEQRA) in 2006 and 2010 (such General Project Plan, including the modifications thereto, the “GPP”).

Brooklyn Bridge Park Corporation (“BBPC”), a not-for-profit entity controlled by the City of New York (the “City”) now has financial, operational, and legal responsibility for the planning, development, construction, funding, operation, and maintenance of the Project, and BBPC bears all financial and legal liability for the Project. In 2010, BBPDC and BBPC entered into leases, subleases, and other agreements for the Park, adjacent development parcels, other parcels within the Project that are owned by the City, BBPC, and others. BBPDC also (i) assigned and transferred to BBPC all funds, revenues, funding agreements, contracts, equipment, and personal property for the Project and (ii) agreed to enter into with BBPC such other agreements with as necessary, and take (at BBPC’s cost and liability) all actions necessary in order to ensure the planning, development, construction, operations, and maintenance of the Project in accordance with the GPP.

GENERAL PROJECT PLAN MODIFICATION

The proposed modification is a clarification regarding the use of the Tobacco Warehouse. The GPP currently states that the Tobacco Warehouse “may be used to house a walled garden, café, or space for arts groups.” In order to facilitate the adaptive reuse of the Tobacco Warehouse and to ensure its long-term preservation, the BBPDC proposes to clarify that (i) the Tobacco Warehouse can be adaptively reused as a cultural facility with community uses and (ii) the triangular portion (as indicated in the attached GPP modification) of the Tobacco Warehouse structure must remain as roofless open space that will be publicly accessible during park hours, except when closed for events, and a roof and other types of enclosures can be constructed for the other portion (as indicated in the attached GPP modification) of the Tobacco Warehouse structure. Contemplated uses for the Tobacco Warehouse could include, for example, theater and music productions, festivals and events, as well as performances, meetings, and educational activities that meet the needs of local community organizations. BBPC advises that it intends to enter into arrangements with St. Ann’s Warehouse for the adaptive reuse of the Tobacco Warehouse in a manner consistent with foregoing. Testimony given at a June 20, 2013, BBPC sponsored public hearing demonstrated overwhelming community support this adaptive reuse of the Tobacco Warehouse.

All construction work for the Tobacco Warehouse must be in accordance with the State Historic Preservation Office (“SHPO”) Letter of Resolution executed in 2006 and amended in 2008 and 2010 and any additional requirements that may be prescribed by SHPO or any other governmental agency with jurisdiction over the Tobacco Warehouse. The adaptive reuse of the Tobacco Warehouse as described above is subject to the approval by the National Parks Service of a conversion process that would lift restrictions, imposed by the federal Land and Water Conservation Fund Act, that currently limit use of the Tobacco Warehouse to outdoor recreation. BBPC initiated the conversion process in the summer 2012 and anticipates receiving presently NPS authorization.

ENVIRONMENTAL REVIEW

Pursuant to the State Environmental Quality Review Act (“SEQRA”) and the implementing regulations of the New York State Department of Environmental Conservation, the ESD Directors adopted SEQRA Findings on January 18, 2006 based on a Final Environmental Impact Statement (“FEIS”) for which ESD was the SEQRA lead agency.

A Technical Memorandum (the “Tech Memo”) was prepared to assess the proposed modification to the GPP. The Tech Memo concluded that the proposed modification would not result in impacts different from or greater than what was assessed in the FEIS. Therefore, a Supplemental Environmental Impact Statement is not needed and no further environmental review is required under SEQRA in connection with the modifications to the GPP.

NON-DISCRIMINATION AND CONTRACTOR & SUPPLIER DIVERSITY

The Project's non-discrimination and affirmative action policies will apply. There is a 20% Minority/Women-owned Business Enterprise contractor and/or subcontractor participation goal during the development of the Project and an overall goal of 25% minority and female workforce participation during construction.

REQUESTED ACTION

The Board is requested to adopt the modified GPP as set forth in the Exhibit and authorize all actions related to the foregoing with.

ATTACHMENT

Resolution

EXHIBIT

Modification to the Modified General Project Plan

July 18, 2013

Brooklyn (Kings County) - Brooklyn Bridge Park Civic and Land Use Improvement Project; Adoption of a Modification to the Modified General Project Plan; and Authorization to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation relating to the Brooklyn Bridge Park Civic and Land Use Improvement Project (the "Project") the proposed modification to the Modified General Project Plan for the Project is hereby adopted; and be it further

RESOLVED, that the President and Chief Executive Officer, or his designee, is hereby authorized to take such action as he or she deems necessary or appropriate, including without limitation, the providing, filing or making available of copies of the modified plan, and/or digests thereof, and other actions respecting the modified plan; and be it further

RESOLVED, that the President or his designees(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

EXHIBIT
MODIFIED GENERAL PROJECT PLAN

NEW YORK STATE URBAN DEVELOPMENT CORPORATION
D/B/A THE EMPIRE STATE DEVELOPMENT CORPORATION
AND
BROOKLYN BRIDGE PARK DEVELOPMENT CORPORATION
BROOKLYN BRIDGE PARK
CIVIC AND LAND USE IMPROVEMENT PROJECT
MODIFIED GENERAL PROJECT PLAN
Adopted - July 26, 2005^{*}
Affirmed as modified - January 18, 2006
Modified Plan Adopted – December 18, 2006
Affirmed as Modified April 19, 2007[†]
Modified Plan Adopted - March 26, 2010[‡]
Affirmed as Modified – June 15, 2010[§]
Modified Plan Adopted – July 18, 2013^{**}

PROJECT IDENTIFICATION

The project is the creation of the Brooklyn Bridge Park (the “Project”). The approximately 85 acre Project, consisting of piers, upland and water area, stretches along approximately 1.3 miles of Brooklyn waterfront approximately bounded by Jay Street on the north, Atlantic Avenue on the south, Furman Street on the east, and the East River on the west, and would include Piers 1 through 6.

MODIFIED GENERAL PROJECT PLAN – CONTINUED EXISTENCE

Except as modified by this modification, the Modified General Project Plan, will remain in full force and effect, and terms used in this modification, and not otherwise defined in this modification shall have the meanings given in the Modified General Project Plan. The Modified General Project Plan, as modified by this modification is referred to herein as the “GPP.”

PURPOSE AND NEED

In order to facilitate the adaptive reuse of the Tobacco Warehouse structure, it is necessary to further modify the GPP to clarify the plan with respect to such reuse.

MODIFICATION

In the Modified General Project Plan, in the section titled “Subarea Plans”, in the second paragraph of the subsection titled “Interbidge Area”, the second paragraph is modified as follows (deletions in brackets “[. . .]” and new language underscored):

* BBPDC – July 22, 2005

† BBPDC – May 3, 2007

‡ BBPDC - March 10, 2010

§ BBPDC - June 9, 2010

** BBPDC – July 15, 2013

The restored exterior shell of the former Tobacco Warehouse may be [used to house a walled garden, café, or space for arts groups] adaptively reused as a cultural facility with community uses, including, for example, theater and music productions, festivals, events, performances, meetings, educational activities, and activities of local community organizations. The triangular portion of the Tobacco Warehouse, as approximately indicated on Attachment A hereto (the "Triangle"), will remain roofless open space and will be publicly accessible during park hours, except when closed for events, and a roof and other types of enclosures can be constructed for the other portion, as approximately indicated on Attachment A, of the Tobacco Warehouse structure. The existing New York City Department of Environmental Protection building adjacent to the Manhattan Bridge at Washington Street may be reused for community, cultural, educational, or other uses.

ENVIRONMENTAL REVIEW PROCESS AND APPROVALS

ENVIRONMENTAL REVIEW

Pursuant to the State Environmental Quality Review Act ("SEQRA") and the implementing regulations of the New York State Department of Environmental Conservation, the ESD Directors adopted SEQRA Findings on January 18, 2006 based on a Final Environmental Impact Statement ("FEIS") for which ESD was the SEQRA lead agency.

A Technical Memorandum (the "Tech Memo") was prepared to assess the proposed modification to the GPP. The Tech Memo concluded that the proposed modification would not result in impacts different from or greater than what was assessed in the FEIS. Therefore, a Supplemental Environmental Impact Statement is not needed and no further environmental review is required under SEQRA in connection with the modifications to the GPP.

OTHER APPROVALS

The adaptive reuse of the Tobacco Warehouse as described above is subject to the approval by the National Parks Service ("NPS") of a conversion process that would lift restrictions imposed by the federal Land and Water Conservation Fund Act currently limiting use of the Tobacco Warehouse to outdoor recreation. BBPC initiated the conversion process in the summer of 2012 and anticipates receiving NPS authorization.

All construction work at or in the Tobacco Warehouse shall be (i) in accordance with the State Historic Preservation Office ("SHPO") Letter of Resolution, executed in 2006 and amended in 2008 and 2010, that stipulates the treatment of and procedures for archaeological and historic resources on the Project and any additional requirements that may be prescribed by SHPO or any other governmental agency with jurisdiction over the Tobacco Warehouse and (ii) in conformance with the New York City Building Code.

ATTACHMENT A
TO JULY 2013 MODIFICATION

FOR CONSIDERATION

July 18, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Investment Report

REQUEST FOR: Approval of Investment Guidelines and Investment Report and Authorization to Take Related Actions

Background

Section 2925 of the Public Authorities Law (the "Law") requires annual approval by the New York State Urban Development Corporation d/b/a Empire State Development ("ESD" or the "Corporation") of the "Investment Report" and "Investment Guidelines."

The ESD Investment Report (the "Report") for the Fiscal Year ended March 31, 2013 is attached hereto. It includes (1) ESD Investment Guidelines ("Guidelines"); (2) Results of the Annual Independent Audit; (3) Investment Performance and Income Records; (4) Statement of Fees, Commissions and Related Service Charges; and (5) the Investment Portfolio as of March 31, 2013 with market value.

Investment Guidelines

The Guidelines were readopted with the Investment Report in July 2012. The Law requires that in addition to annual approval of the Report, the Guidelines must also be annually reviewed and approved by the Corporation. The Guidelines include, among other things, a list of permitted Corporate investments, as well as procedures and provisions to secure the Corporation's financial interest in its investments.

Investment Income

For the fiscal year 2012-13, there were total investment earnings of \$2.1 million (prior fiscal year was \$1.9 million). Investment income was applied to corporate requirements, revenue bond portfolio debt service, and various economic development projects and programs.

Investment Portfolio

The Corporation had average investments of \$1.51 billion for fiscal 2012-13 (prior fiscal year was \$1.93 billion); the decrease is primarily due to disbursement of bond proceeds for various projects and programs. The portfolio had an average maturity of 67 days (prior fiscal year was 75 days) and a portfolio yield of 0.12% (prior fiscal year was 0.10%). As a benchmark, the average yield for U.S. T-bills with a 2 month maturity was 0.07% for the fiscal year; additionally, the average yield for U.S. Agency Discount Notes with a 2 month maturity was 0.08% for the fiscal year. As of fiscal year end, U.S. T-bills and U.S. Agency Discount Notes represented approximately 95% of the portfolio.

The portfolio design reflects the need for a high degree of liquidity. These funds are used to accommodate:

- Construction Drawdown Schedules
- Debt Service Payment Schedules
- Requirements under Bond Indentures
- Project Closing and Disbursement Schedules
- Corporate Operating Expenses

Investments are summarized as follows:

Par amount
in millions
as of 3/31/13

ESD Corporate, E.D., C.P. Bond & Related Funds

Corporate Operations, Reserves & Other Restricted Funds	\$ 309.0
Restricted Econ. Dev. Programs, Projects & Related Funds	\$ 267.2
Corporate Purpose Bond Funds – Funds related to Debt Service Reserves, Bond Service, and Housing	\$ <u>164.2</u>
Total	\$ 740.4

Revenue Bond Project & Related Funds:

Economic Development Programs	\$ 358.9
Correctional Facility Programs	\$ 231.3
Equipment Programs	\$ 112.2
All Other Programs	\$ <u>300.8</u>
Total	\$ 1,003.2

Grand Total \$ 1,743.6

Requested Action

The Directors are asked to adopt the attached Investment Guidelines and Investment Report, and to authorize the taking of related actions.

Attachments

Resolution
Annual Investment Report

July 18, 2013

NEW YORK STATE URBAN DEVELOPMENT CORPORATION d/b/a EMPIRE STATE
DEVELOPMENT – (the “Corporation”) Approval of the Investment Guidelines and
Investment Report and Authorization to Take Related Actions

WHEREAS, the Corporation wishes to comply with Section 2925 of the Public Authorities Law (“Law”) which mandates that public benefit corporations annually prepare and approve an Investment Report (“Report”) which includes, among other things, the Corporation's Investment Guidelines (“Guidelines”) and

WHEREAS, said Law also requires the annual review and approval of its Guidelines; and

WHEREAS, the Corporation has prepared the Report for the fiscal year ended March 31, 2013; and

WHEREAS, the Corporation adopted Guidelines in 1984 which have been amended and were most recently approved by the Corporation on July 18, 2012; and

WHEREAS, the Corporation has reviewed said Report and said Guidelines and found them to be satisfactory;

NOW, THEREFORE, IT IS HEREBY RESOLVED that the Guidelines as amended are hereby approved and it is further

RESOLVED, that the Report is hereby approved; and it is further

RESOLVED, that the President and Chief Executive Officer, the Chief Financial Officer, the Treasurer or their designees be, and each of them hereby is, authorized and empowered to submit said Report, as required by law, and to take such action and execute such agreements and instruments as he or she may consider necessary or desirable or appropriate in connection with the implementation of the Guidelines, and the Report and to take related actions.

* * *

NEW YORK STATE URBAN DEVELOPMENT CORPORATION
D/B/A EMPIRE STATE DEVELOPMENT

ANNUAL INVESTMENT REPORT
FISCAL YEAR ENDED MARCH 31, 2013

Table of Contents

	<u>Page</u>
1. UDC Investment Guidelines	1 - 12
2. Explanation of Investment Guidelines and Amendments	13
3. Results of the Annual Independent Audit	14 - 19
4. Investment Summary and Income Records	20 - 26
5. Statement of Fees, Commissions and Related Service Charges	27
6. Investment Portfolio with Market Value as of March 31, 2013	28

**NEW YORK STATE URBAN DEVELOPMENT CORPORATION
d/b/a EMPIRE STATE DEVELOPMENT
INVESTMENT GUIDELINES, AS AMENDED**

Introduction

On January 19, 1984, the New York State Urban Development Corporation adopted comprehensive corporate investment guidelines as required by Section 2925 of the New York Public Authorities Law. The following comprehensive corporate Investment Guidelines amend and restate the guidelines previously adopted in compliance with the requirement for periodic review and updating of Investment Guidelines set forth in Section 2925 and in the Investment Guidelines for Public Authorities adopted by the Comptroller of the State of New York in July 1987.

ARTICLE ONE

Definitions

As used herein the terms set forth below are defined as follows:

- 1.1 "Comptroller" means the State Comptroller.
- 1.2 "Corporation" means the New York State Urban Development Corporation, d/b/a Empire State Development, as a corporate governmental agency of the State of New York, constituting a public benefit corporation and a political subdivision, established pursuant to Chapter 174 of the Laws of 1968 of the State of New York.
- 1.3 "Investment Funds" means all monies and financial resources available for investment by the Corporation, other than proceeds of bonds issued by the Corporation.
- 1.4 "Repurchase Agreement" means a repurchase agreement satisfying the requirements set forth in Article Four herein.
- 1.5 "Securities" means any or all of the investment obligations of the categories described in Section 4.1 of Article Four herein.
- 1.6 "State" means the State of New York.

ARTICLE TWO

Scope

These guidelines shall govern the investment and reinvestment of Investment Funds and the sale and liquidation of investments, as well as the monitoring, maintenance, accounting, reporting and internal controls by and of the Corporation with respect to such investment, sale, reinvestment and liquidation.

ARTICLE THREE

Investment Objectives

The Corporation's investment activities shall have as their first and foremost objective the safeguarding of the principal amount of the Investment Funds. Additional considerations regarding the Corporation's investment activities shall be liquidity of investments, realization of a reasonable return on investments and diversification of investments.

ARTICLE FOUR

Permissible Investments

4.1 The Corporation may invest its Investment Funds in any and all of the following, if and to the extent permitted by statutes, regulations and bond resolutions applicable at the time of investment of such Investment Funds:

- 1) Any bonds and other obligations which as to principal and interest constitute direct obligations of, or are unconditionally guaranteed by the United States of America;
- 2) Any bonds and other obligations which as to principal and interest constitute direct obligations of the State or the Corporation or which are unconditionally guaranteed by the State as to payment of principal and interest;
- 3) Bonds and other obligations of governmental authorities, political subdivisions, Federal Agencies, Government Sponsored Enterprises (GSE's) or public authorities of the State or of the United States of America, which are securities in which the Corporation lawfully may invest pursuant to applicable statutes, regulations and bond resolutions including but not limited to Federal National Mortgage Association (FNMA), Federal Farm Credit Bank (FFCB), Federal Home

Loan Bank (FHLB), Federal Home Loan Mortgage Corporation (FHLMC-“Freddie Mac”), and Student Loan Marketing Association (SLMA-“Sallie Mae”);

- 4) Prime Commercial Paper issued by domestic banks, corporations and financial companies rated "A-1" or "P-1" by Standard & Poor's Corporation or Moody's Investors Service, Inc.;
- 5) Certificates of Deposit of banks or trust companies authorized to do business in this State, including commercial banks who participates in New York State Excelsior Linked Deposit programs and are authorized program depositories, which certificates of deposit are fully insured by the Federal Deposit Insurance Corporation or fully secured, as required by Section 4.3.1 below, by securities of the character described in clauses (1), (2) or (3) of this paragraph;
- 6) Subject to the requirements of Section 4.2 below, any repurchase agreement with any bank or trust company authorized to do business in the State of New York or with any broker-dealers included in the Federal Reserve Bank of New York's list of primary government security dealers, which agreement is secured by securities of the character described in clauses (1), (2) or (3) of this paragraph;
- 7) Real property;
- 8) Units, shares or interest in a mutual fund or money market fund of regulated investment companies which seek to maintain a constant net asset value per share of \$1.00 and have been rated in one of the two highest categories by at least one nationally recognized ratings organization and invests in instruments described in clauses (1), (2) or (3) of this paragraph.

4.1.1 The Corporation may invest its Small Business Technology Investment Fund, or any successor entity, in all types of equity investments, including but not limited to stock, convertible debt and debts with warrants in addition to the other permitted investments referenced above.

4.2 Specific Requirements Governing Repurchase Agreements

4.2.1 Eligible Sellers. The Corporation shall enter into Repurchase Agreements only with banks or trust companies authorized to do business in the State or from broker-dealers on the Federal Reserve Bank of New York's list of primary government securities dealers and only after the Corporation's Chief Financial Officer or Treasurer has reviewed such firm's capitalization and the Corporation's Chief Financial Officer and Chief Executive Officer have set a limit on the amount of monies that the Corporation may invest with such firm at any one time. The

placement of Repurchase Agreements shall be distributed among several authorized firms to reduce the level of risk. The investment limit set for each such firm shall not be exceeded unless the Chief Financial Officer, the Chief Executive Officer or the Controller of the Corporation makes a written finding that sufficient Securities are not available from other eligible firms. Not less frequently than once each year, the Corporation's Chief Financial Officer or Treasurer shall review and, if appropriate, recommend adjustment of the investment limit for each eligible seller in light of such firm's current capitalization. All investment limit adjustments shall require the approval of the Chief Financial Officer and Chief Executive Officer.

4.2.2 Eligible Custodian Banks. To be eligible to hold the Securities which are the subject of a Repurchase Agreement, a custodial bank should be a member of the Federal Reserve Bank or maintain accounts with member banks to accomplish book-entry transfer of Securities to the credit of the Corporation. Transfer of Securities, whether by book entry or physical delivery, should be confirmed in writing to the Corporation by the custodial bank. The custodian should not be the same party that is selling the Securities. The Corporation's Directors must affirmatively find that a proposed custodial bank is financially sound before such bank may be eligible to perform custodial services for the Corporation.

4.2.3 Maximum Maturity of Repurchase Agreements. There shall be no "open repurchase" agreements. Repurchase Agreements shall be limited to a maturity not to exceed ten (10) working days. Collateral shall have maturities not exceeding thirty (30) years.

4.2.4 Standard Terms for Repurchase Agreements. The Corporation shall execute a master Repurchase Agreement with each broker-dealer which outlines the basic rights of both buyer and seller including:

- (a) The events of default which would permit the Corporation to liquidate or purchase the underlying Securities;
- (b) The relationship between parties to the agreement, which should ordinarily be purchaser and seller;
- (c) A requirement that there be a written contract with the custodial bank outlining the responsibilities of the bank and the parties to the agreement. Such an agreement must provide, among other things, that the custodial bank will not make payment for the Securities until the bank actually receives them and that the custodial bank takes possession of the Securities exclusively for the Corporation and that any claims of the custodial bank are subordinate to those of the Corporation;

- (d) Procedures which ensure that the Corporation obtains a perfected security interest in the underlying Securities. The Corporation or its custodian must take possession of the Securities being purchased by physical delivery or book entry. Furthermore, the written agreement shall contain a provision that, in the event a court of final jurisdiction construes the specific Repurchase Agreement to be a loan, the seller shall be deemed to have granted the Corporation a perfected security interest in the purchased Securities;
- (e) The market value of the Securities purchased under a repurchase transaction must be at least equal to the purchase price. The value of the Securities must be monitored and marked to market on a daily basis. Additional Securities shall be required if market fluctuations cause the market value of the purchased Securities to become less than the purchase price. The Corporation's Chief Financial Officer or Treasurer shall establish the method of computing margin maintenance requirements and providing for timely correction of margin deficiencies or excesses, taking into consideration:
 - (i) the size and terms of the transaction;
 - (ii) the type of underlying Security;
 - (iii) the maturity of the underlying Security;
 - (iv) the capitalization, financial status and type of purchaser and/or seller; and
 - (v) the method by which additional margin will be maintained; and
- (f) Circumstances, if any, under which substitution of Securities subject to the agreement shall be permitted.

4.3 Specific Requirements Regarding Certificates of Deposit.

- 4.3.1 Collateral Requirements. To the extent that the Corporation's investment in a certificate of deposit is less than fully insured by the Federal Deposit Insurance Corporation, the uninsured portion shall be fully collateralized by Securities (other than Repurchase Agreements). Collateral for a certificate of deposit must be reviewed at least weekly to determine if the market value of the Securities equals or exceeds the principal amount of the uninsured portion of the certificate of deposit plus accrued interest. If the market value of the Securities is insufficient, the issuer of the certificate of deposit must exchange or add to the

amount of collateral to bring its market value to equal or exceed the uninsured portion of the principal amount of the certificate of deposit plus accrued interest.

4.3.2 Standard Terms for Certificate of Deposit Collateral Agreement. The Corporation shall negotiate and enter into a written agreement with each bank (and custodian) from which it has obtained a certificate of deposit. Such written agreement shall, at a minimum, address the following concerns:

- (a) The frequency of the valuation of the collateral to market, as set forth above (such valuation shall be done by the Corporation at least weekly);
- (b) The right and ability of the bank to substitute like Securities as collateral;
- (c) Description of events of default which would permit the Corporation or its custodian to liquidate or purchase the underlying Securities;
- (d) Description of the party who is to have title to the underlying Securities during the term of the agreement;
- (e) With respect to the custodial bank, the agreement shall also provide that the custodial bank takes possession of the Securities as agent of the Corporation and that the claims of the custodial bank are subordinate to those of the Corporation.

ARTICLE FIVE

Operating Procedures

5.1 Authorized Officers and Employees. Only the following persons shall be authorized to make investment decisions on behalf of the Corporation: the Chairman of the Corporation's Directors; the President and Chief Executive Officer; the Chief Financial Officer; the Treasurer; the Controller, and the Executive Vice President-Legal. The implementation of such investment decisions by placement of purchase or sale orders or otherwise shall be effected only by the foregoing officers and employees and by such employees as may from time to time be designated in writing by the Chief Financial Officer and Treasurer.

5.2 Standards for the Qualification of Brokers, Dealers and Agents. Any bank or trust company organized under the laws of any state of the United States of America or any national banking association or government bond dealer which is authorized to do business in the State may become qualified by the Corporation to transact purchases and sales of Securities (other than Repurchase

Agreements) with the Corporation. Factors to be considered in determining the qualification of such firms shall include the firm's capitalization, quality, size and reliability, the Corporation's prior experience with the firm, the firm's level of expertise and prior experience with respect to the contemplated transaction. The determination of qualification shall be made by the Chief Financial Officer and the Treasurer, who shall maintain a list of all such qualified firms.

5.3 Standards for the Qualification of Investment Advisors. For the purpose of rendering investment advice to the Corporation, the Corporation may qualify any bank or trust company organized under the laws of any state of the United States of America, any national banking association, and any partnership, corporation, or person which is:

- (a) Authorized to do business in the State;
- (b) Registered with the Securities & Exchange Commission under the Investment Advisor Act of 1940;
- (c) Registered with the New York State Secretary of State as an Investment Advisor; and
- (d) A member in good standing of the Investment Counsel Association of America.

The Corporation also shall consider the additional criteria (other than capitalization) enumerated in the preceding paragraph.

5.4 Standards for the Qualification of Custodial Banks. To be eligible to hold Securities as collateral for an investment made by the Corporation, a custodial bank should be a member of the Federal Reserve Bank or maintain accounts with member banks to accomplish book-entry transfer of Securities to the credit of the Corporation. Transfer of Securities, whether by book entry or physical delivery, should be confirmed to in writing to the Corporation by the custodial bank. The custodian should not be the same party that is selling the Securities. To be eligible to perform custodial services, the Corporation's Directors must affirmatively find that the proposed custodial bank is financially sound.

5.5 Competitive Bids; Negotiated Prices. In connection with the purchase and sale of Securities, for each transaction in excess of two and one-half million dollars (\$2,500,000.00) (or such other threshold dollar amount as the Chief Financial Officer may specify in writing), the Corporation shall utilize competitive quotations. For each transaction which is equal to or less than two and one-half million dollars (\$2,500,000.00) (or such other threshold dollar amount as the Chief Financial Officer may specify in writing), the Corporation may utilize either competitive quotations or negotiated prices. The foregoing shall not apply to the purchase of government securities referred to in section 4.1 (1) at initial auction or to the purchase of investments referred to in section 4.1 (3) which are

new securities priced directly by the respective issuer. A complete and continuous record of all quotes, solicited and received, shall be maintained by the Treasury Department.

For each transaction (other than the purchase of governmental securities at initial auction or new securities priced directly by the respective issuer) in excess of two and one-half million dollars (or such other threshold dollar amount as the Chief Financial Officer may specify in writing), a minimum of three separate solicitations will be made on each direct purchase or sale of a Security (including a Repurchase Agreement). The transaction shall be awarded to the dealer(s) offering the highest yield or return, provided that, with respect to Repurchase Agreements, the amount of the investment with each individual firm does not exceed the investment limit referred to in Section 4.2.1 above.

5.6 Written Contracts and Confirmations. A written contract and/or a written confirmation shall be a required for each investment transaction. With respect to the purchase or sale of Securities other than Repurchase Agreements, the Corporation shall not be required to enter into a formal written contract, provided that the Corporation's oral instructions to its broker, dealer, agent, investment advisor or custodian with respect to such transactions are confirmed in writing at the earliest practicable moment. A written contract shall be required for each purchase and sale of a Repurchase Agreement.

5.7 Payment. Payment for investments shall be made only upon written confirmation of presentation of the physical Security, or in the case of book-entry form Securities, when credited for the custodian's account, which shall be segregated for the Corporation's sole use. The custodian may act on oral instructions from an authorized officer of the Corporation or their designee, such instructions to be confirmed in writing immediately by an authorized officer of the Custodian. Such collateral shall, on the date of purchase, be at least equal in market value to the amount of the investment.

5.8 Collateral. Except as specifically otherwise provided herein, the Corporation's financial interest in its investments shall be fully secured or collateralized at all times in an amount not less than the original amount invested plus accrued, unpaid interest thereon. Only Securities permissible for investment by the Corporation pursuant to these Guidelines (other than Repurchase Agreements) may be accepted as collateral. Contracts of financial guaranty, surety or other similar bonds or instruments purchased from an insurance company holding the highest rating afforded by any nationally recognized rating organization may be acceptable as collateral. Pledges of proportionate interests in pooled collateral shall not constitute acceptable collateral. In the case of certificates of deposit and demand and time deposits, collateral shall be provided for amounts in excess of the applicable limit of coverage provided by the Federal Deposit

Insurance Corporation. Collateral shall be maintained in the custody of the Corporation or an approved third party custodian at all times. To assure that, at all times, the market value of said collateral is at least equal to the original amount invested plus all accrued, unpaid interest, collateral shall be marked to market at the time the investment is made and thereafter weekly.

5.9 Operating Procedure Manual. The Corporation's Treasurer shall prepare a Standard Operating Manual for placing, controlling and reporting of all investment activity which shall be consistent with these guidelines, be approved by the Corporation's Controller or Chief Financial Officer and shall be consistent with the following:

- (a) Each disbursement of funds (and corresponding receipt of Securities) or delivery of Securities (and corresponding receipt of funds) should be based upon proper written authorization. If the authorization is initially given orally, there should be written confirmation from the Corporation's authorized officer to the custodian;
- (b) The process of initiating, reviewing and approving requests to buy and sell Securities should be documented and retained for audit purposes;
- (c) Custodians must have prior authorization from the Corporation to deliver obligations and collateral. All transactions must be confirmed in writing to the authority. Delivery of obligations sold should only be made upon receipt of funds;
- (d) Custodial banks should be required to report whenever activity has occurred in the Corporation's custodial account;
- (e) There should be at least monthly verifications of both the principal amount and the market values of all investments and collateral. Appropriate listings should be obtained from the custodian and compared against the Corporation's records;
- (f) A record of investments shall be maintained by the Corporation's Treasurer. The records should identify the Security, the fund for which held, the place where kept, date of disposition and amount realized and the market value and custodian of collateral;
- (g) The establishment and maintenance of a system of internal controls;
- (h) Methods for adding, changing or deleting information contained in the investment record, including a description of the documents to be created and verification tests to be conducted;

- (i) A data base or record incorporating descriptions and amounts of investments, transaction dates, interest rates, maturities, bond ratings, market prices and related information necessary to manage the portfolio; and
- (j) Requirements for periodic reporting and a satisfactory level of accountability.

ARTICLE SIX

Reports and Audits

The following reports and audits shall be prepared in connection with the Corporation's investment program.

6.1 Annual Investment Report. As required by Section 2925(6) of the Public Authority Law, annually the Chairman shall submit to the Directors and the Corporation shall file with the State Division of the Budget, Comptroller, State Senate Finance Committee and Assembly Ways and Means Committee an annual investment report, prepared with the assistance of the Chief Financial Officer and Controller, which shall include the following:

- 1) The Investment Guidelines required by Section 2925(3) of the Public Authorities Law and any amendments to such guidelines since the last investment report;
- 2) An explanation of the Investment Guidelines and amendments;
- 3) The results of the Annual Investment Audit (described below);
- 4) The investment income record of the Corporation; and
- 5) A list of the total fees, commissions or other charges paid to each investment banker, broker, agent, dealer and advisor rendering investment associated services to the Corporation since the date of the last investment report.

6.2 Annual Investment Audit. Each year, the Corporation shall cause its independent auditors to conduct an audit (the "Annual Investment Audit") regarding the

Corporation's investments. (The Corporation's financial statements with respect to investments, which are required to be prepared in conformance with generally accepted accounting principles for governments ("GAAP"), should contain all of the note disclosures on deposits with financial institutions and investments required by the Governmental Accounting Standards Board Statements No. 3 "Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements" dated April 1986). The Annual Investment Audit:

- 1) Shall determine whether: the Corporation complies with its own investment policies; investment assets are adequately safeguarded; adequate accounts and records are maintained which accurately reflect all transactions and report on the disposition of the Corporation's assets; and a system of adequate internal controls is maintained.
- 2) Shall determine whether the Corporation has complied with applicable laws, regulations and State Comptroller's Investment Guidelines; and
- 3) Should be designed to the extent practical to satisfy both the common interest of the Corporation and the public officials accountable to others.

6.3

Annual Investment Audit Report. The results of the Annual Investment Audit shall be set forth in a report (the "Annual Investment Audit Report") which shall include without limitation:

- 1) verification of collateral;
- 2) a description of the scope and objectives of the audit;
- 3) a statement that the audit was made in accordance with generally accepted government auditing standards;
- 4) a description of any material weaknesses found in the internal controls;
- 5) a description of all non-compliance with the Corporation's investment policies as well as applicable laws, regulations and the State Comptroller's Investment Guidelines;
- 6) a statement of positive assurance of compliance on the items tested and negative assurance on those items not tested;
- 7) a statement on any other material deficiency or finding identified during the audit not covered in (6) above; and

- 8) recommendations, if any, with respect to amendment of these Guidelines.

The Annual Investment Audit Report shall be filed within ninety (90) days after the close of the Corporation's fiscal year with the Coordinator of Public Authority Programs, Office of the State Comptroller, A. E. Smith Office Building, Albany, NY 12236.

ARTICLE SEVEN

Affirmative Action

A program of Affirmative Action shall apply with respect to the Corporation's corporate investment activities. The Corporation shall seek to encourage participation by minority and women-owned financial services firms in the conduct of its corporate investment activities.

ARTICLE EIGHT

Miscellaneous

- 8.1 In connection with the Annual Investment Audit, each year the Corporation shall review these guidelines to determine whether the Corporation shall amend or otherwise update them.
- 8.2 The Corporation's policy regarding conflicts of interest shall be followed regarding the investment of funds.

Explanation of Investment Guidelines & Amendments

On January 19, 1984, the New York State Urban Development Corporation adopted comprehensive corporate investment guidelines as required by Section 2925 of the New York Public Authorities Law. The Guidelines have been amended and restated over time in compliance with the requirement for periodic review and updating of investment guidelines set forth in Section 2925 and in the Investment Guidelines for Public Authorities adopted by the Comptroller of the State of New York in July 1987. The Guidelines include, among other things, a list of permitted Corporate investments, as well as procedures and provisions to secure the Corporation's financial interest in its investments. There are no recommended changes to the Investment Guidelines.

When making investment decisions the first priority that is considered is the preservation of capital; after that liquidity, and then return on investment are evaluated. There are numerous projects and programs whose funding needs must be accommodated; frequently these funding requirements occur on short notice. The safety and liquidity factors, combined with today's very low rate environment, result in a portfolio that currently has a short average maturity (for the fiscal year ended March 31, 2013 this average was 67 days).

INDEPENDENT AUDITORS' REPORT

The Board of Directors
New York State Urban Development
Corporation:

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of New York State Urban Development Corporation and Subsidiaries (the "Corporation"), a component unit of the State of New York, as of and for the years ended March 31, 2013 and 2012, and the related notes to consolidated financial statements, which collectively comprise the Corporation's consolidated financial statements as listed in the table of contents.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Corporation's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the net position of New York State Urban Development Corporation and Subsidiaries as of March 31, 2013 and 2012, and the respective changes in net position and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 19 and the Schedule of Funding Progress - Other Postemployment Benefits on page 72 be presented to supplement the basic consolidated financial statements. Such information, although not a part of the basic consolidated financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic consolidated financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic consolidated financial statements, and other knowledge we obtained during our audit of the basic consolidated financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 7, 2013, on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Corporation's internal control over financial reporting and compliance.

In accordance with Government Auditing Standards, we have also issued our report dated June 7, 2013 on the Corporation's compliance with Section 201.3 of Title Two of the Official Compilation of Codes Rules, and Regulations of the State of New York. The purpose of that report is to provide an opinion as to the Corporation's compliance with investment guidelines contained therein. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Corporation's internal control over financial reporting and compliance.

Toski & Co., CPAs, P.C.

Williamsville, New York
June 7, 2013

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Board of Directors
New York State Urban Development
Corporation:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the consolidated financial statements of New York State Urban Development Corporation and Subsidiaries (the "Corporation"), a component unit of the State of New York, which comprise the consolidated statement of net position as of March 31, 2013, and the related consolidated statements of revenue, expenses and changes in net position and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated June 7, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's consolidated financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Toski & Co., CPAs, P.C.

Williamsville, New York
June 7, 2013

INDEPENDENT AUDITORS' REPORT ON INVESTMENT COMPLIANCE

The Board of Directors
New York State Urban Development
Corporation:

Report on Investment Program Compliance

We have audited the New York State Urban Development Corporation and Subsidiaries' (the "Corporation"), a component unit of the State of New York, compliance with the types of compliance requirements described in the Section 201.3 of Title Two of the Official Compilation of Codes, Rules, and Regulations of the State of New York related to its investment program during the year ended March 31, 2013.

Management's Responsibility

Management is responsible for compliance with the requirements of Section 201.3 of Title Two of the Official Compilation of Codes, Rules, and Regulations of the State of New York related to its investment program.

Auditor's Responsibility

Our responsibility is to express an opinion on the compliance of the Corporation's investment program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the investment program occurred. An audit includes examining, on a test basis, evidence about the Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the investment program. However, our audit does not provide a legal determination of the Corporation's compliance.

Opinion on Investment Program

In our opinion, the New York State Urban Development Corporation and Subsidiaries complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its investment program for the year ended March 31, 2013.

Report on Internal Control Over Compliance

Management of the Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Corporation's internal control over compliance with the types of requirement that could have a direct and material effect on the investment program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the investment program and to test and report on internal control over compliance in accordance with Section 201.3 of Title Two of the Official Compilation of Codes, Rules, and Regulations of the State of New York, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Section 201.3 of Title Two of the Official Compilation of Codes, Rules, and Regulations of the State of New York. Accordingly, this report is not suitable for any other purpose.

Toski & Co., CPAs, P.C.

Williamsville, New York
June 7, 2013

EMPIRE STATE DEVELOPMENT
INVESTMENT SUMMARY
AS OF MARCH 31, 2013

<u>FUNDS/PROGRAMS (a)</u>	<u>AMOUNT</u> (S000'S) <u>(PAR)</u>	<u>AVERAGE</u> <u>WEIGHTED</u> <u>YIELD</u> <u>(%)</u>	<u>AVERAGE</u> <u>WEIGHTED</u> <u>MATURITY</u> <u>(DAYS)</u>
CORPORATE	308,999		
CORP. OPERATIONS & RESERVES FUNDS (b)	220,000	0.14	134
OPEB LIABILITY ACCT (026C)	17,525	0.09	56
125 MAIDEN LANE FUND (025)	62,041	0.13	59
EXCELSIOR LINKED DEPOSIT PROGRAM FUNDS (010) (f)	9,433	0.01	169
(f) YIELD IS REDUCED DUE TO SUBSIDY PROGRAM			
PORT DIST. REG'L PROM. & WTC LOAN GUAR. RESRV. FUND	897		
WTC RESERVE - JPM CHASE (044)	897	0.14	18
ECONOMIC DEVELOPMENT PROGRAM FUNDS	218,651		
ED FUNDS (POOLED INVESTMENT) (010)	56,004	0.09	3
EMPIRE STATE ED PROGRAM (050)	5,684	0.07	57
USA NIAGARA (085)	10,318	0.09	43
SPECIAL LEGISLATIVE INITIATIVES (199)	13,990	0.08	38
HIGH RISK MINORITY REVOLVING LOAN FUND (201)	6,504	0.07	8
HCDC VICTORIA THEATRE (249)	915	0.09	11
COMMUNITY PROJECT FUND MISC. (212)	4,988	0.06	26
MINORITY & WOMEN BUSINESS DEV. LENDING (218)	2,935	0.09	17
QUEENS WEST DEV. CORP. (460)	9,145	0.07	28
REG'LL REVOLVING LOAN TRUST FUND LOCAL ASST. (225)	2,459	0.12	2
URBAN & COMMUNITY DEV PROG. (226)	987	0.10	109
REGIONAL ECONOMIC DEV. LOCAL ASST. (262)	1,492	0.10	26
ED GENERAL (310)	19,326	0.08	29
REGIONAL ECONOMIC DEV. PARTNERSHIP (312)	1,987	0.05	39
ERIE CANAL HARBOR DEV. (322)	10,002	0.08	60
NEW NEW YORK (474C)	2,489	0.07	18
ED INCOME (618P)	4,853	0.08	59
INTEREST SUBSIDY FUND (054)	1,985	0.07	5
EMPOWERMENT ZONE - CITY (053)	12,520	0.09	36
FARLEY BUILDING (012)	2,851	0.06	24
PA DISNEY TRUST NEW AMSTERDAM (504)	10,236	0.08	36
ONE BRYANT PARK GENERAL REVENUE (529)	6,724	0.14	51
ED PROGRAM FUND 2010 (143)	1,493	0.08	2
MERF (146)	23,511	0.07	46
MOYNIHAN PHASE I (102)	5,253	0.05	38
FARLEY CERTIF.'S OF PARTICIPATION 2013	6,061		
CAPITALIZED INTEREST FUND (435)	6,061	0.10	123
PORT AUTHORITY REVENUE FUND	33,293		
REVENUE FUND (799)	33,293	0.10	112
CORP. PURPOSE BONDS & RELATED HOUSING FUNDS	164,255		
REDEMPTION FUND (421)	49,640	0.09	72
DEBT SERVICE RESERVE FUND SUB. LN. '04A (794)	7,629	4.69	374
EXCESS RECOVERY (008)	35,398	0.08	46
HOUSING & ED LOAN ESCROW (010)	3,349	0.08	45
UNITY PARK II CHERRY HILL (423)	3,466	0.10	88
TENANT REPAIR LOSS (029)	6,507	0.05	47
HOUSING RESYNDICATION (013E)	200	0.05	25
PROJECT IMPROVEMENT ESCROW (014E)	1,250	0.05	25
PORTFOLIO MANAGEMENT ACCOUNT (007)	56,816	0.12	65
UDC/COMMUNITY ENHANCEMENT FACILITIES -SERIES 1998	8,930		
ERIE CO. STAD. CONSTRUCTION FUND (060)	4,702	0.11	24
DEBT SERVICE RESERVE FUND (768)	4,228	3.27	76

EMPIRE STATE DEVELOPMENT
INVESTMENT SUMMARY
AS OF MARCH 31, 2013

<u>FUNDS/PROGRAMS (a)</u>	<u>AMOUNT</u> <u>(\$000'S)</u> <u>(PAR)</u>	<u>AVERAGE</u> <u>WEIGHTED</u> <u>YIELD</u> <u>(%)</u>	<u>AVERAGE</u> <u>WEIGHTED</u> <u>MATURITY</u> <u>(DAYS)</u>
UDC/CLARKSON UNIVERSITY LOAN '95 REFUNDING DEBT SERVICE RESERVE FUND (625)	539 539	2.99	705
UDC/COLUMBIA UNIVERSITY PROJECT REVENUE BONDS BOND SERVICE FUND (415)	911 911	0.12	88
UDC/COLUMBIA UNIVERSITY LOAN PROJECT REVENUE BONDS DEBT SERVICE RESERVE FUND (378)	4,965 4,965	0.09	88
UDC/CORNELL UNIVERSITY LOAN PROJECT REVENUE BONDS DEBT SERVICE RESERVE FUND (381) BOND SERVICE FUND (380)	827 700 127	0.09 0.09	88 88
UDC/STATE OFFICE FACILITIES BONDS '95 REFUNDING DEBT SERVICE RESERVE FUND (618)	10,304 10,304	0.07	4
UDC/SYRACUSE UNIVERSITY LOAN '95 REFUNDING DEBT SERVICE RESERVE FUND (634)	2,655 2,655	0.07	4
UDC/UNIVERSITY GRANTS '95 REFUNDING DEBT SERVICE RESERVE FUND (609)	881 881	0.06	88
UDC/CORRECTIONAL FACILITIES REVENUE BONDS- A THRU G DEBT SERVICE RESERVE FUND-A THRU G (369)	10,063 10,063	0.11	85
UDC/PERS. INC. TAX '02 C1 CORRECTIONAL PROJ. FUND (747)	370 370	0.03	25
UDC/PERS. INC. TAX '02 D S.I.P. PROJ. FUND (755)	138 138	0.03	25
UDC/PERS. INC. TAX '03 B CORR. PROJ. FUND (808) EQUIP. PROJ. FUND (777)	292 149 143	0.03 0.03	25 25
UDC/PERS. INC. TAX '03 C1 CCAP PROJ. FUND (771) EOF PROJ. FUND (772) SPORT PROJ. FUND (773)	1,036 101 576 359	0.03 0.03 0.03	25 25 25
UDC/PERS. INC. TAX '04 A1 A.E.S. PROJ. FUND (814)	549 549	0.03	25
UDC/PERS. INC. TAX '04 A3 BOND SERVICE FUND (821)	773 773	0.03	47
UDC/PERS. INC. TAX '04 B3 EOF FUND (823)	7,726 7,726	0.07	4
UDC/PERS. INC. TAX '05 A1 EOF PROJ. FUND (847)	10,030 10,030	0.07	4
UDC/PERS. INC. TAX '05 B CORR. PROJ. FUND (862) EQUIP. PROJ. FUND (868)	1,479 181 1,164	0.03 0.03	25 25

EMPIRE STATE DEVELOPMENT
INVESTMENT SUMMARY
AS OF MARCH 31, 2013

<u>FUNDS/PROGRAMS (a)</u>	<u>AMOUNT</u> <u>(\$000'S)</u> <u>(PAR)</u>	<u>AVERAGE</u> <u>WEIGHTED</u> <u>YIELD</u> <u>(%)</u>	<u>AVERAGE</u> <u>WEIGHTED</u> <u>MATURITY</u> <u>(DAYS)</u>
ELK ST. PROJ. FUND (866)	134	0.03	25
UDC/PERS. INC. TAX '07 A QUEENS STADIUM FUND (871)	158 158	0.03	25
UDC/PERS. INC. TAX '07 B EQUIP. PROJ. FUND (880)	123 123	0.03	25
UDC/PERS. INC. TAX '07 C CORRECTIONAL FUND (891) EQUIP. PROJ. FUND (886)	2,738 168 2,570	0.03 0.07	25 4
UDC/PERS. INC. TAX '08 A1 ATLANTIC YARDS FUND (905) BUFFALO FUND (901) COMM. CAPITAL ASST. FUND (896) CEFAP FUND (902) CULTURAL FUND (899) ECON. DEVELOPMENT FUND (898) SIP FUND (903) YANKEE STADIUM FUND (904)	11,265 221 236 1,815 4,785 841 2,603 432 332	0.03 0.03 0.03 0.06 0.03 0.07 0.03 0.03	25 25 25 4 25 4 25 25
UDC/PERS. INC. TAX '08 A2 TECHNOLOGY FUND (907)	440 440	0.03	25
UDC/PERS. INC. TAX '09 A1 UPSTATE REG'L BLUEPRINT (921) ECON. DEVELOPMENT (932)	39 23 16	0.03 0.03	25 25
UDC/PERS. INC. TAX '09 B1 BOND SERVICE (935) EQUIPMENT (939)	5,164 1,753 3,411	0.03 0.07	25 4
UDC/ CORR./YOUTH S.C.REF. '02B BOND SERVICE FUND (744)	1,065 1,065	0.06	86
UDC/ S.C.REFUNDING 2008 A&B BOND SRV (910)	769 769	0.06	60
UDC/ S.C.REFUNDING 2011 A COI (996)	54 54	0.06	60
UDC/ STPIT GEN 09C ARTS & CULTURE (949) CAPITAL PROJECT (950) COMM CAP (951) CEFAP (952) DWNSTREVITAL (954) EMP OPP (957) NYSEDAP (958) NYSTDP (960) SIP (962) UPSTREGBLUE (966) EQUIP (969)	39,417 1,876 8,232 5,086 6,686 5 1,897 3,355 22 4,953 9 7,296	0.03 0.07 0.07 0.07 0.03 0.03 0.07 0.03 0.06 0.03 0.07	25 4 4 4 25 25 4 25 4 25 7
UDC/ STPIT GEN 09D SEMATECH TX (972)	12,704 472	0.03	25

EMPIRE STATE DEVELOPMENT
INVESTMENT SUMMARY
AS OF MARCH 31, 2013

<u>FUNDS/PROGRAMS (a)</u>	<u>AMOUNT</u> <u>(\$000'S)</u> <u>(PAR)</u>	<u>AVERAGE</u> <u>WEIGHTED</u> <u>YIELD</u> <u>(%)</u>	<u>AVERAGE</u> <u>WEIGHTED</u> <u>MATURITY</u> <u>(DAYS)</u>
CAP PROJ IBM TX (974)	3,577	0.07	5
DWNSTREGPR IBM TX (975)	8,645	0.07	4
UPSTREGBLUE TX (979)	10	0.03	25
UDC/ STPIT GEN 09E	285		
BAB AMD (982)	208	0.03	25
BAB CORR FAC (983)	77	0.03	25
UDC/ STPIT GEN 10A	69,531		
STIPTGEN 10A ADELPHI (003)	374	0.03	25
STIPTGEN 10A DWNSTREVITAL (004)	873	0.03	25
STIPTGEN 10A UPSTCTYBCTY (008)	18	0.03	25
STIPTGEN 10A EQUIP (010)	47,170	0.04	25
STIPTGEN 10A CORR FAC (029)	6,012	0.05	25
STIPTGEN 10A CAP PROJ (011)	13,524	0.07	4
STIPTGEN 10A UPSTREGBLUE (013)	8	0.03	25
STIPTGEN 10A NYSEDAP (014)	1,552	0.03	25
UDC/ STPIT GEN 10B	34		
STIPTGEN 10B TX UPSTAGR (017)	3	0.03	25
STIPTGEN 10B TX NYRA (020)	31	0.07	88
UDC/ STPIT GEN 10C	5,169		
STIPTGEN 10C BAB CORR FAC (023)	5,112	0.05	25
STIPTGEN 10C BAB YTH FAC (024)	57	0.03	25
UDC/ STPIT GEN 11A	104,551		
STIPTGEN 11AB COI (030)	35	0.06	88
STIPTGEN 11A DOWNSTATE REVIT (033)	3,123	0.07	4
STIPTGEN 11A EOF-OFF BDGT (035)	1,713	0.03	25
STIPTGEN 11A EOF-ON BDGT (036)	22,265	0.07	4
STIPTGEN 11A LUTHER (037)	178	0.03	25
STIPTGEN 11A NYSEDP UPSTAD (039)	227	0.03	25
STIPTGEN 11A RESTORE NY (041)	8	0.06	4
STIPTGEN 11A UPST CTY-BY-CTY (043)	6,449	0.07	4
STIPTGEN 11A CAPITAL PROJ (044)	5,396	0.07	4
STIPTGEN 11A UPST REGL BLUE (045)	2	0.03	25
STIPTGEN 11A EQUIPMT (046)	50,332	0.04	25
STIPTGEN 11A CORRECTIONAL (047)	4,167	0.05	25
STIPTGEN 11A YOUTH (048)	5,721	0.07	4
STIPTGEN 11A ST POLICE (049)	55	0.07	4
STIPTGEN 11A AG & MRKT FD LB (051)	3	0.03	25
STIPTGEN 11A HOMELAND (052)	2,853	0.07	4
STIPTGEN 11A HOUSING (053)	2,024	0.03	25
UDC/ STPIT GEN 11B	13,087		
STIPTGEN 11B CAPITAL PROJ (056)	6,919	0.07	4
STIPTGEN 11B EDF (057)	200	0.03	25
STIPTGEN 11B EOF-OFF BDGT (058)	600	0.03	25
STIPTGEN 11B NYSEDAP (059)	563	0.03	25
STIPTGEN 11B NYSEDP JAVITS (062)	4,774	0.07	4
STIPTGEN 11B NYSTDP (063)	29	0.03	25
STIPTGEN 11B UPST REGL BLUE (064)	2	0.03	25
UDC/ STPIT GEN 13A	554,342		
STIPTGEN 13AB COI (076)	7,076	0.07	18
STIPTGEN 13A ARTS & CULT. (078)	5,333	0.07	18

**EMPIRE STATE DEVELOPMENT
INVESTMENT SUMMARY
AS OF MARCH 31, 2013**

<u>FUNDS/PROGRAMS (a)</u>	<u>AMOUNT (\$000'S) (PAR)</u>	<u>AVERAGE WEIGHTED YIELD (%)</u>	<u>AVERAGE WEIGHTED MATURITY (DAYS)</u>
STIPTGEN 13A DOWNSATTE REVIT. (079)	6,967	0.07	18
STIPTGEN 13A ECON. & COMM. (080)	551	0.07	18
STIPTGEN 13A NYSEDAP (081)	3,350	0.07	18
STIPTGEN 13A UPSTATE AGR. EC. DEV (082)	2,500	0.07	18
STIPTGEN 13A UPSTATE CITY-BY-CITY (083)	9,495	0.07	18
STIPTGEN 13A UPSTATE REG'L BLUEPRINT (084)	7,442	0.07	18
STIPTGEN 13A BUFFALO REG'L INNOV. CLUSTER (085)	7,000	0.07	18
STIPTGEN 13A ECON. TRANSFORMATION (086)	2,675	0.07	18
STIPTGEN 13A RCCF (087)	10,976	0.07	18
STIPTGEN 13A ADELPHIA MOU (088)	1,004	0.07	18
STIPTGEN 13A CEFAP (089)	1,655	0.07	18
STIPTGEN 13A CAPITAL PROJ. FND. - CULT. (090)	35,011	0.07	18
STIPTGEN 13A CAPITAL PROJ. FND. - EC.DEV/OTHER (091)	17,864	0.07	18
STIPTGEN 13A CAPITAL PROJ. FND. - UNIV. (092)	9,053	0.07	18
STIPTGEN 13A RESTORE NY (093)	72,407	0.07	18
STIPTGEN 13A GOV. ISLAND (CUNY) (094)	8,216	0.07	18
STIPTGEN 13A SUBSUNY (HH RICHARDSON) (095)	46,424	0.07	18
STIPTGEN 13A NYSTDP (096)	5,372	0.07	18
STIPTGEN 13A NYSEDP - UPSTATE STADIUM (097)	1,078	0.07	18
STIPTGEN 13A NYSEDP - UPSTATE JAVITS (098)	754	0.07	18
STIPTGEN 13A CCAP (099)	3,343	0.07	18
STIPTGEN 13A REDP (100)	1,813	0.07	18
STIPTGEN 13A NY-SUNY 2020 (101)	10,000	0.07	18
STIPTGEN 13A CORRECTIONAL (070)	205,011	0.07	18
STIPTGEN 13A YOUTH (071)	20,001	0.07	18
STIPTGEN 13A STATE POLICE (072)	21,463	0.07	18
STIPTGEN 13A AG & MARKETS (FOOD LAB) (073)	1,864	0.07	18
STIPTGEN 13A HIOMELAND SEC. (074)	12,000	0.07	18
STIPTGEN 13A HOUSING (TAX-EXEMPT) (075)	16,644	0.07	18
UDC/STPIT GEN 13B	119,793		
STIPTGEN 13B CAPITAL PROJ. FND. - NANOTECH (103)	616	0.07	18
STIPTGEN 13B DOWNSTATE REVITAL. (104)	1,000	0.07	18
STIPTGEN 13B UPSTATE CITY-BY-CITY (105)	13,167	0.07	18
STIPTGEN 13B UPSTATE REG'L BLUEPRINT (106)	23,236	0.07	18
STIPTGEN 13B SUNY CNSE (CAPITAL PROJ. FND.) (107)	45,000	0.01	4
STIPTGEN 13B RCCF (108)	6,550	0.07	18
STIPTGEN 13B CAPITAL PROJ. FND. - EC.DEV/OTHER (109)	11,180	0.07	18
STIPTGEN 13B NYSTDP (110)	1,530	0.07	18
STIPTGEN 13B HOUSING (TAXABLE) (111)	14,690	0.07	18
STIPTGEN 13B NYSEDP - UPSTATE JAVITS (112)	2,824	0.07	18
UDC/PORT DISTRICT ED CAPITAL PROGRAM	8,297		
PDEDC (417)	8,297	0.07	46

TOTAL **1,743,649**

PORTFOLIO AS OF 3/31/13 AVG. WTD YIELD = 0.11 %
AVG. WTD DAYS TO MATURITY = 56

(a) INCLUDING BANK ACCOUNT CODE

(b) THIS ACCOUNT INCLUDES APPROXIMATELY \$19.6 MILLION IN STATE APPROPRIATIONS FOR APRIL 1, 2013 DEBT SERVICE

EMPIRE STATE DEVELOPMENT
SUMMARY OF INVESTMENT EARNINGS
FOR FISCAL YEAR ENDED 3/31/13

FUND TYPE	TOTAL EARNINGS (\$'s)
<u>CORPORATE FUNDS</u>	
-CORPORATE FUNDS (a)	431,375
-CORPORATE PURPOSE BOND FUNDS (b)	<u>565,830</u>
(a) INCLUDES EARNINGS ON 125 MAIDEN LANE FUND & ELDP PROGRAM	
(b) INCLUDES RELATED HOUSING FUNDS	
TOTAL CORPORATE	<u>997,205</u>
 <u>REVENUE BOND FUNDS</u>	
-RPI RESEARCH CENTER '95 REFUNDING	3,564
-SYRACUSE UNIVERSITY LOAN '95 REF. DERF	2,358
-CORNELL UNIVERSITY LOAN	704
-COLUMBIA UNIVERSITY LOAN	5,035
-CLARKSON UNIVERSITY LOAN '95 REFUNDING	17,049
-UNIVERSITY FAC. GRANTS '95 REF. DSRF	478
-ERIE COUNTY STADIUM FUND	0
-COMM. ENHANCEMENT FAC. ASST. PRG. '98	137,834
-FARLEY CERT. OF PARTICIPATION	10,310
-STATE FACILITIES '95 REFUNDING DSRF	6,892
-CORRECTIONAL FACILITIES-"A THRU G" DSRF	15,362
-CORRECTIONAL & YOUTH FAC.'S SERV.CONT.REF. 2002	4,543
-SERVICE CONTRACT REFUNDING ISSUES	470
-PERSONAL INCOME TAX '02 A, B	5
-PERSONAL INCOME TAX '02 C1, C2, D	181
-PERSONAL INCOME TAX '03 A1, A2	21
-PERSONAL INCOME TAX '03 B, C1, C2	478
-PERSONAL INCOME TAX '04 A1, A2, A3, A4, B1, B2, B3	5,137
-PERSONAL INCOME TAX '05 A1	7,073
-PERSONAL INCOME TAX '05 A2	16
-PERSONAL INCOME TAX '05 B	564
-PERSONAL INCOME TAX '07 A, B	91
-PERSONAL INCOME TAX '07 C	3,723
-PERSONAL INCOME TAX '08 A1, A2	6,376
-PERSONAL INCOME TAX '09 A1, A2	767
-PERSONAL INCOME TAX '09 B1, B2	4,675
-PERSONAL INCOME TAX '09 C	0
-PERSONAL INCOME TAX '09 D	44,676
-PERSONAL INCOME TAX '09 E	118
-PERSONAL INCOME TAX '10 A	81,473
-PERSONAL INCOME TAX '10 B	9,565
-PERSONAL INCOME TAX '10 C	3,501
-PERSONAL INCOME TAX '11 A	216,525
-PERSONAL INCOME TAX '11 B	11,762
-PERSONAL INCOME TAX '13A	13,512
-PERSONAL INCOME TAX '13B	<u>2,379</u>
TOTAL REVENUE BOND	<u>617,219</u>

EMPIRE STATE DEVELOPMENT
SUMMARY OF INVESTMENT EARNINGS
FOR FISCAL YEAR ENDED 3/31/13

FUND TYPE	TOTAL EARNINGS (\$'s)
<u>ECONOMIC DEVELOPMENT FUNDS</u>	
-E.D. SPECIAL PROJECTS & PROGRAM FUNDS	411,158
-42ND STREET DEVELOPMENT PROJECT/TIMES SQUARE	38,818
-PORT DISTRICT ED CAPITAL PROGRAM	<u>8,505</u>
TOTAL ECONOMIC DEVELOPMENT	<u>458,480</u>

GRAND TOTAL	2,072,904
-------------	-----------

AVERAGE YIELD FISCAL YEAR 2012/2013	0.12%
-------------------------------------	-------

NEW YORK STATE URBAN DEVELOPMENT CORPORATION
D/B/A EMPIRE STATE DEVELOPMENT

Statement of Fees, Commissions and Related Service Charges for
The Period April 1, 2012 through March 31, 2013

ESD DOES NOT PAY FEES, COMMISSIONS, OR ANY OTHER CHARGES TO ANY OF THE BROKERS/DEALERS IN CONNECTION WITH ITS INVESTMENT TRANSACTIONS. ESD DOES NOT UTILIZE INVESTMENT ADVISORS FOR INVESTMENT ASSOCIATED SERVICES.

NEW YORK STATE URBAN DEVELOPMENT CORPORATION d/b/a ESD
 INVESTMENT POSITION REPORT WITH MARKET VALUE AS OF MARCH 31, 2013 SUMMARY

	<u>PAR</u>	<u>COST</u>	<u>% COST VALUE</u>	<u>MARKET VALUE (B)</u>
CERTIFICATE OF DEPOSIT	\$9,433,448.37	\$9,433,448.37	0.54%	\$9,433,448.37
COMMERCIAL PAPER	\$56,004,000.00	\$56,004,000.00	3.21%	\$56,004,000.00
U.S. AGENCY NOTES/BONDS	\$11,070,000.00	\$10,684,704.76	0.61%	\$11,404,451.35
U.S. AGENCY DISCOUNT NOTES/BONDS (A)	\$656,366,000.00	\$655,980,244.63	37.64%	\$656,218,497.42
MUNICIPALS AND S.L.G.'s	\$435,000.00	\$488,239.65	0.03%	\$483,967.95
U.S. TREASURY BILLS (A)	\$1,010,341,000.00	\$1,010,281,413.91	57.97%	\$1,010,317,555.02
TOTAL (C)	<u>\$1,743,649,448.37</u>	<u>\$1,742,872,051.32</u>	<u>100.00%</u>	<u>\$1,743,861,920.11</u>

(A) TRADED ON A DISCOUNT BASIS

(B) THE MARKET VALUE OF THE SECURITY IS CALCULATED USING PRICES

FROM BLOOMBERG INFORMATION SERVICE (OR BROKER) AS OF MARCH 31, 2013

(C) POSITION INCLUDES APPROXIMATELY \$19.6 MILLION STATE APPROPRIATION FOR APRIL 1, 2013 DEBT SERVICE

New York State Urban Development Corp. d/b/a ESD
Investment Position Report
As of 3/31/13

BAC	DEAL ID	Instrument Type	Rate	Settle	Maturity	Est YTM	Market Price a/o 3/31/13	Market Value (\$'s)	Par Amount	Cost (Incl Purch Int.)
CD's are part of ELDLP loan subsidy program and do not reflect market rates										
010C	1000018975	Certificate of Deposit	0.000	4/6/2012	4/5/2013	0.000		200,000.00	200,000.00	200,000.00
010C	1000018981	Certificate of Deposit	0.000	4/9/2012	4/9/2013	0.000		222,000.00	222,000.00	222,000.00
010C	1000018995	Certificate of Deposit	0.215	4/12/2012	4/12/2013	0.215		63,000.00	63,000.00	63,000.00
010C	1000019018	Certificate of Deposit	0.000	4/18/2012	4/18/2013	0.000		150,000.00	150,000.00	150,000.00
010C	1000019019	Certificate of Deposit	0.000	4/18/2012	4/18/2013	0.000		69,000.00	69,000.00	69,000.00
010C	1000019020	Certificate of Deposit	0.000	4/18/2012	4/18/2013	0.000		68,000.00	68,000.00	68,000.00
010C	1000019109	Certificate of Deposit	0.000	4/27/2012	4/26/2013	0.000		132,000.00	132,000.00	132,000.00
010C	1000019110	Certificate of Deposit	0.000	4/27/2012	4/26/2013	0.000		27,000.00	27,000.00	27,000.00
010C	1000019129	Certificate of Deposit	0.000	5/2/2012	5/2/2013	0.000		170,000.00	170,000.00	170,000.00
010C	1000019157	Certificate of Deposit	0.000	5/17/2012	5/17/2013	0.000		32,000.00	32,000.00	32,000.00
010C	1000019158	Certificate of Deposit	0.000	5/17/2012	5/17/2013	0.000		127,000.00	127,000.00	127,000.00
010C	1000019256	Certificate of Deposit	0.000	6/6/2012	6/6/2013	0.000		500,000.00	500,000.00	500,000.00
010C	1000019257	Certificate of Deposit	0.000	6/6/2012	6/6/2013	0.000		500,000.00	500,000.00	500,000.00
010C	1000019418	Certificate of Deposit	0.008	6/22/2012	6/21/2013	0.008		35,000.00	35,000.00	35,000.00
010C	1000019417	Certificate of Deposit	0.734	6/22/2012	6/21/2013	0.734		32,000.00	32,000.00	32,000.00
010C	1000019444	Certificate of Deposit	0.000	6/29/2012	6/28/2013	0.000		76,500.00	76,500.00	76,500.00
010C	1000019472	Certificate of Deposit	0.000	7/6/2012	7/5/2013	0.000		117,445.00	117,445.00	117,445.00
010C	1000019493	Certificate of Deposit	0.663	7/13/2012	7/12/2013	0.663		33,000.00	33,000.00	33,000.00
010C	1000019695	Certificate of Deposit	0.000	8/2/2012	8/2/2013	0.000		505,325.00	505,325.00	505,325.00
010C	1000019697	Certificate of Deposit	0.734	8/3/2012	8/2/2013	0.734		25,000.00	25,000.00	25,000.00
010C	1000019715	Certificate of Deposit	0.000	8/9/2012	8/9/2013	0.000		260,000.00	260,000.00	260,000.00
010C	1000019740	Certificate of Deposit	0.000	8/10/2012	8/9/2013	0.000		134,914.00	134,914.00	134,914.00
010C	1000019751	Certificate of Deposit	0.000	8/15/2012	8/15/2013	0.000		221,000.00	221,000.00	221,000.00
010C	1000019752	Certificate of Deposit	0.000	8/15/2012	8/15/2013	0.000		108,028.00	108,028.00	108,028.00
010C	1000019753	Certificate of Deposit	0.000	8/15/2012	8/15/2013	0.000		348,000.00	348,000.00	348,000.00
010C	1000019754	Certificate of Deposit	0.000	8/15/2012	8/15/2013	0.000		242,000.00	242,000.00	242,000.00
010C	1000019755	Certificate of Deposit	0.000	8/15/2012	8/15/2013	0.000		224,000.00	224,000.00	224,000.00
010C	1000019778	Certificate of Deposit	0.000	8/17/2012	8/16/2013	0.000		88,073.00	88,073.00	88,073.00
010C	1000019860	Certificate of Deposit	0.000	9/5/2012	9/5/2013	0.000		60,000.00	60,000.00	60,000.00
010C	1000019876	Certificate of Deposit	0.000	9/12/2012	9/12/2013	0.000		409,562.00	409,562.00	409,562.00
010C	1000020042	Certificate of Deposit	0.470	10/5/2012	10/4/2013	0.470		60,485.00	60,485.00	60,485.00
010C	1000020070	Certificate of Deposit	0.000	10/12/2012	10/11/2013	0.000		422,611.00	422,611.00	422,611.00
010C	1000020094	Certificate of Deposit	0.000	10/17/2012	10/17/2013	0.000		84,199.00	84,199.00	84,199.00
010C	1000020102	Certificate of Deposit	0.000	10/18/2012	10/18/2013	0.000		310,584.00	310,584.00	310,584.00
010C	1000020106	Certificate of Deposit	0.000	10/18/2012	10/18/2013	0.000		206,559.00	206,559.00	206,559.00
010C	1000020143	Certificate of Deposit	0.256	10/25/2012	10/25/2013	0.256		31,000.00	31,000.00	31,000.00

New York State Urban Development Corp. d/b/a ESD
Investment Position Report
As of 3/31/13

BAC	DEAL ID	Instrument Type	Rate	Settle	Maturity	Est. YTM	Market Price a/o 3/31/13	Market Value (\$'s)	Par Amount	Cost (Incl Purch Int.)
010C	1000020180	Certificate of Deposit	0.000	11/7/2012	11/7/2013	0.000		85,400.00	85,400.00	85,400.00
010C	1000020181	Certificate of Deposit	0.000	11/7/2012	11/7/2013	0.000		50,000.00	50,000.00	50,000.00
010C	1000020212	Certificate of Deposit	0.320	11/15/2012	11/15/2013	0.320		40,000.00	40,000.00	40,000.00
010C	1000020213	Certificate of Deposit	0.320	11/15/2012	11/15/2013	0.320		15,000.00	15,000.00	15,000.00
010C	1000020337	Certificate of Deposit	0.000	12/4/2012	12/4/2013	0.000		407,000.00	407,000.00	407,000.00
010C	1000020339	Certificate of Deposit	0.000	12/5/2012	12/5/2013	0.000		36,548.00	36,548.00	36,548.00
010C	1000020366	Certificate of Deposit	0.000	12/13/2012	12/13/2013	0.000		50,000.00	50,000.00	50,000.00
010C	1000020412	Certificate of Deposit	0.000	12/21/2012	12/20/2013	0.000		106,200.00	106,200.00	106,200.00
010C	1000020413	Certificate of Deposit	0.000	12/21/2012	12/20/2013	0.000		278,000.00	278,000.00	278,000.00
010C	1000020427	Certificate of Deposit	0.000	12/28/2012	12/27/2013	0.000		57,992.37	57,992.37	57,992.37
010C	1000020428	Certificate of Deposit	0.000	12/28/2012	12/27/2013	0.000		300,446.00	300,446.00	300,446.00
010C	1000020525	Certificate of Deposit	0.000	1/8/2013	1/8/2014	0.000		225,182.00	225,182.00	225,182.00
010C	1000020526	Certificate of Deposit	0.000	1/8/2013	1/8/2014	0.000		62,000.00	62,000.00	62,000.00
010C	1000020549	Certificate of Deposit	0.000	1/11/2013	1/10/2014	0.000		500,000.00	500,000.00	500,000.00
010C	1000020637	Certificate of Deposit	0.000	1/29/2013	1/29/2014	0.000		115,000.00	115,000.00	115,000.00
010C	1000020702	Certificate of Deposit	0.000	2/6/2013	2/6/2014	0.000		10,640.00	10,640.00	10,640.00
010C	1000020703	Certificate of Deposit	0.000	2/6/2013	2/6/2014	0.000		116,080.00	116,080.00	116,080.00
010C	1000020711	Certificate of Deposit	0.205	2/7/2013	2/7/2014	0.205		15,000.00	15,000.00	15,000.00
010C	1000020723	Certificate of Deposit	0.000	2/13/2013	2/13/2014	0.000		31,000.00	31,000.00	31,000.00
010C	1000020722	Certificate of Deposit	0.000	2/13/2013	2/13/2014	0.000		65,000.00	65,000.00	65,000.00
010C	1000020753	Certificate of Deposit	0.000	2/19/2013	2/19/2014	0.000		100,000.00	100,000.00	100,000.00
010C	1000020853	Certificate of Deposit	0.000	3/1/2013	2/28/2014	0.000		35,184.00	35,184.00	35,184.00
010C	1000020957	Certificate of Deposit	0.000	3/15/2013	3/14/2014	0.000		396,845.00	396,845.00	396,845.00
010C	1000021008	Certificate of Deposit	0.000	3/20/2013	3/20/2014	0.000		16,000.00	16,000.00	16,000.00
010C	1000021076	Certificate of Deposit	0.000	3/22/2013	3/21/2014	0.000		23,646.00	23,646.00	23,646.00
								9,433,448.37	9,433,448.37	9,433,448.37
010C	1000021144	Commercial Paper	0.090	3/27/2013	4/3/2013	0.090		36,963,000.00	36,963,000.00	36,963,000.00
010C	1000021145	Commercial Paper	0.090	3/27/2013	4/3/2013	0.090		19,041,000.00	19,041,000.00	19,041,000.00
								56,004,000.00	56,004,000.00	56,004,000.00
143P	1000020573	Fannie Mae Discount		1/18/2013	4/2/2013	0.080	99.999	1,492,985.07	1,493,000.00	1,492,754.49
460S	1000020580	Fannie Mae Discount		1/23/2013	4/8/2013	0.070	99.999	4,007,959.92	4,008,000.00	4,007,415.50
008C	1000020426	Fannie Mae Discount		12/27/2012	4/18/2013	0.090	99.998	10,253,794.92	10,254,000.00	10,251,128.88
010C	1000019939	Fannie Mae Discount		9/18/2012	4/18/2013	0.150	99.998	11,999,760.00	12,000,000.00	11,989,400.04
310P	1000020384	Fannie Mae Discount		12/14/2012	4/18/2013	0.080	99.998	4,016,919.66	4,017,000.00	4,015,884.17
417P	1000020399	Fannie Mae Discount		12/18/2012	4/18/2013	0.070	99.998	2,757,944.84	2,758,000.00	2,757,351.10

New York State Urban Development Corp. d/b/a ESD.
Investment Position Report
As of 3/31/13

BAC	DEAL ID	Instrument Type	Rate	Settle	Maturity	Est YTM	Market Price a/o 3/31/13	Market Value (\$'s)	Par Amount	Cost (Incl Purch Int.)
474C	1000020528	Fannie Mae Discount		1/9/2013	4/18/2013	0.070	99.998	2,488,950.22	2,489,000.00	2,488,520.87
008C	1000020571	Fannie Mae Discount		1/18/2013	5/1/2013	0.090	99.994	7,140,571.54	7,141,000.00	7,139,161.19
025C	1000020153	Fannie Mae Discount		11/2/2012	5/14/2013	0.150	99.992	12,269,018.40	12,270,000.00	12,260,132.83
010C	1000020953	Fannie Mae Discount		3/15/2013	5/15/2013	0.075	99.992	3,348,732.08	3,349,000.00	3,348,574.41
085S	1000020747	Fannie Mae Discount		2/15/2013	5/15/2013	0.100	99.992	6,015,518.72	6,016,000.00	6,014,512.71
010C	1000020107	Fannie Mae Discount		10/19/2012	5/20/2013	0.140	99.990	9,999,000.00	10,000,000.00	9,991,716.67
421B	1000020575	Fannie Mae Discount		1/18/2013	5/20/2013	0.080	99.990	2,978,702.10	2,979,000.00	2,978,192.36
417P	1000020724	Fannie Mae Discount		2/13/2013	5/23/2013	0.090	99.989	1,123,876.36	1,124,000.00	1,123,721.81
322S	1000020718	Fannie Mae Discount		2/11/2013	6/3/2013	0.083	99.985	3,000,549.85	3,001,000.00	3,000,159.72
085S	1000020914	Fannie Mae Discount		3/8/2013	6/12/2013	0.100	99.983	1,999,660.00	2,000,000.00	1,999,466.67
050P	1000020915	Fannie Mae Discount		3/11/2013	6/17/2013	0.080	99.982	3,992,281.26	3,993,000.00	3,992,130.41
007C	1000020330	Fannie Mae Discount		12/3/2012	6/18/2013	0.140	99.982	9,992,201.08	9,994,000.00	9,986,343.49
026C	1000020689	Fannie Mae Discount		2/1/2013	6/24/2013	0.080	99.981	4,004,239.05	4,005,000.00	4,003,727.30
010C	1000020398	Fannie Mae Discount		12/18/2012	8/1/2013	0.110	99.965	9,996,500.00	10,000,000.00	9,993,094.44
007C	1000020646	Fannie Mae Discount		1/31/2013	8/19/2013	0.090	99.960	10,018,990.80	10,023,000.00	10,017,988.50
010C	1000020574	Fannie Mae Discount		1/18/2013	8/19/2013	0.120	99.960	9,996,000.00	10,000,000.00	9,992,900.00
								132,894,155.87	132,914,000.00	132,844,277.56
010C	1000020644	Farmer Mac Discount		1/31/2013	4/2/2013	0.060	99.999	14,999,850.00	15,000,000.00	14,998,475.00
310P	1000020558	Farmer Mac Discount		1/15/2013	4/10/2013	0.080	99.999	5,989,940.10	5,990,000.00	5,988,868.49
218P	1000020631	Farmer Mac Discount		1/25/2013	4/17/2013	0.090	99.998	2,934,941.30	2,935,000.00	2,934,398.33
504S	1000020577	Farmer Mac Discount		1/22/2013	4/18/2013	0.090	99.998	2,504,949.90	2,505,000.00	2,504,461.43
199P	1000020687	Farmer Mac Discount		2/1/2013	4/23/2013	0.070	99.997	5,998,820.03	5,999,000.00	5,998,055.16
010C	1000020047	Farmer Mac Discount		10/10/2012	5/1/2013	0.160	99.994	19,998,800.00	20,000,000.00	19,981,955.60
053S	1000020765	Farmer Mac Discount		2/22/2013	5/20/2013	0.120	99.990	1,999,800.00	2,000,000.00	1,999,420.00
310P	1000020922	Farmer Mac Discount		3/13/2013	6/7/2013	0.100	99.984	1,321,788.48	1,322,000.00	1,321,684.19
053S	1000020964	Farmer Mac Discount		3/18/2013	6/21/2013	0.110	99.981	2,999,430.00	3,000,000.00	2,999,129.17
010C	1000019872	Farmer Mac Discount		9/12/2012	6/25/2013	0.170	99.980	14,997,000.00	15,000,000.00	14,979,741.67
010C	1000019952	Farmer Mac Discount		9/20/2012	7/15/2013	0.180	99.973	4,998,650.00	5,000,000.00	4,992,550.00
010C	1000019967	Farmer Mac Discount		9/25/2012	8/30/2013	0.170	99.957	19,991,400.00	20,000,000.00	19,967,983.40
010C	1000020175	Farmer Mac Discount		1/5/2012	9/6/2013	0.170	99.951	14,992,650.00	15,000,000.00	14,978,395.80
								113,728,019.81	113,751,000.00	113,645,118.24
212P	1000020717	Federal Farm Credit Disc.		2/8/2013	4/26/2013	0.060	99.997	4,987,850.36	4,988,000.00	4,987,359.87
								4,987,850.36	4,988,000.00	4,987,359.87
768B	1000010907	Federal Home Loan	3.750	5/19/2008	6/14/2013	3.835	100.668	3,619,014.60	3,595,000.00	3,585,825.27

New York State Urban Development Corp. d/b/a ESD
Investment Position Report
As of 3/31/13

BAC	DEAL ID	Instrument Type	Rate	Settle	Maturity	Est YTM	Market Price a/o 3/31/13	Market Value (\$'s)	Par Amount	Cost (Incl Purch Int.)
								3,619,014.60	3,595,000.00	3,585,825.27
225P	1000020360	Federal Home Loan Disc		12/10/2012	4/2/2013	0.120	99.999	2,458,975.41	2,459,000.00	2,458,073.78
054P	1000020746	Federal Home Loan Disc		2/15/2013	4/5/2013	0.070	99.999	1,984,980.15	1,985,000.00	1,984,810.87
050P	1000020708	Federal Home Loan Disc		2/6/2013	4/8/2013	0.040	99.999	1,690,983.09	1,691,000.00	1,690,885.39
012C	1000020750	Federal Home Loan Disc		2/19/2013	4/15/2013	0.060	99.998	1,999,960.00	2,000,000.00	1,999,816.67
085S	1000020645	Federal Home Loan Disc		1/31/2013	4/15/2013	0.040	99.998	2,301,953.96	2,302,000.00	2,301,810.72
504S	1000020387	Federal Home Loan Disc		12/17/2012	4/15/2013	0.090	99.998	2,999,940.00	3,000,000.00	2,999,107.50
529S	1000020078	Federal Home Loan Disc		10/15/2012	4/16/2013	0.130	99.998	2,056,958.86	2,057,000.00	2,055,640.67
060B	1000020764	Federal Home Loan Disc		2/22/2013	4/24/2013	0.110	99.997	4,701,858.94	4,702,000.00	4,701,123.60
146P	1000020527	Federal Home Loan Disc		1/9/2013	4/25/2013	0.060	99.997	8,999,730.00	9,000,000.00	8,998,410.00
262P	1000020769	Federal Home Loan Disc		2/26/2013	4/26/2013	0.100	99.997	1,491,955.24	1,492,000.00	1,491,755.48
007C	1000020123	Federal Home Loan Disc		10/23/2012	4/30/2013	0.130	99.996	9,005,639.76	9,006,000.00	8,999,853.41
417P	1000020555	Federal Home Loan Disc		1/14/2013	5/3/2013	0.070	99.994	1,099,934.00	1,100,000.00	1,099,766.86
102S	1000021147	Federal Home Loan Disc		3/25/2013	5/8/2013	0.050	99.993	5,252,632.29	5,253,000.00	5,252,678.99
310P	1000020758	Federal Home Loan Disc		2/20/2013	5/13/2013	0.070	99.992	7,996,360.24	7,997,000.00	7,995,724.92
460S	1000020954	Federal Home Loan Disc		3/15/2013	5/13/2013	0.070	99.992	5,136,589.04	5,137,000.00	5,136,410.68
007C	1000020195	Federal Home Loan Disc		11/13/2012	5/15/2013	0.130	99.992	10,314,174.80	10,315,000.00	10,308,183.54
322S	1000020552	Federal Home Loan Disc		1/14/2013	5/15/2013	0.070	99.992	2,999,760.00	3,000,000.00	2,999,294.17
029C	1000021016	Federal Home Loan Disc		3/21/2013	5/17/2013	0.050	99.990	6,506,349.30	6,507,000.00	6,506,484.86
199P	1000020850	Federal Home Loan Disc		3/1/2013	5/20/2013	0.080	99.990	7,990,200.90	7,991,000.00	7,989,579.38
146P	1000021017	Federal Home Loan Disc		3/21/2013	6/10/2013	0.070	99.984	4,999,200.00	5,000,000.00	4,999,212.50
417P	1000021018	Federal Home Loan Disc		3/21/2013	6/10/2013	0.070	99.984	3,314,469.60	3,315,000.00	3,314,477.89
008C	1000021007	Federal Home Loan Disc		3/20/2013	6/14/2013	0.070	99.983	11,098,113.00	11,100,000.00	11,098,143.83
421B	1000020754	Federal Home Loan Disc		2/19/2013	6/28/2013	0.070	99.980	4,622,075.40	4,623,000.00	4,621,840.40
799B	1000020755	Federal Home Loan Disc		2/19/2013	6/28/2013	0.070	99.980	5,674,864.80	5,676,000.00	5,674,576.27
010C	1000020029	Federal Home Loan Disc		10/1/2012	7/1/2013	0.140	99.977	7,998,160.00	8,000,000.00	7,991,506.64
799B	1000020865	Federal Home Loan Disc		3/6/2013	7/17/2013	0.115	99.973	12,806,541.30	12,810,000.00	12,804,557.53
010C	1000020551	Federal Home Loan Disc		1/14/2013	9/30/2013	0.110	99.944	9,994,400.00	10,000,000.00	9,992,086.11
								147,496,760.08	147,518,000.00	147,465,812.66
794B	1000001310	Federal Nat'l Mtg Assoc.	4.125	4/19/2005	4/15/2014	4.462	104.153	161,437.15	155,000.00	151,196.04
794B	CNV0000847	Federal Nat'l Mtg Assoc.	4.125	4/14/2004	4/15/2014	4.788	104.153	7,623,999.60	7,320,000.00	6,947,683.45
								7,785,436.75	7,475,000.00	7,098,879.49
025C	1000020108	Freddie Mac Discount		10/19/2012	4/2/2013	0.140	99.999	13,003,869.96	13,004,000.00	12,995,655.72
201P	1000020727	Freddie Mac Discount		2/14/2013	4/8/2013	0.070	99.999	6,503,934.96	6,504,000.00	6,503,329.73

New York State Urban Development Corp. d/b/a ESD
Investment Position Report
As of 3/31/13

BAC	DEAL_ID	Instrument Type	Rate	Settle	Maturity	Est YTM	Market Price a/o 3/31/13	Market Value (\$'s)	Par Amount	Cost (Incl Purch Int.)
007C	1000021148	Freddie Mac Discount		9/27/2012	4/12/2013	0.130	99.999	12,999,870.00	13,000,000.00	12,990,751.93
025C	1000020548	Freddie Mac Discount		1/11/2013	4/15/2013	0.060	99.998	7,996,840.06	7,997,000.00	7,995,747.11
053S	1000020524	Freddie Mac Discount		1/8/2013	4/15/2013	0.070	99.998	7,519,849.60	7,520,000.00	7,518,581.65
322S	1000020404	Freddie Mac Discount		12/19/2012	4/17/2013	0.070	99.998	1,999,960.00	2,000,000.00	1,999,537.22
026C	1000020361	Freddie Mac Discount		12/11/2012	4/24/2013	0.110	99.997	6,514,804.55	6,515,000.00	6,512,332.47
421B	1000020561	Freddie Mac Discount		12/19/2012	4/24/2013	0.080	99.997	2,716,918.49	2,717,000.00	2,716,239.24
799B	1000021138	Freddie Mac Discount		11/27/2012	4/24/2013	0.130	99.997	2,833,914.98	2,834,000.00	2,832,485.39
023B	1000021015	Freddie Mac Discount		3/21/2013	4/25/2013	0.050	99.997	5,111,846.64	5,112,000.00	5,111,751.50
029B	1000021013	Freddie Mac Discount		3/21/2013	4/25/2013	0.050	99.997	6,011,819.64	6,012,000.00	6,011,707.75
047B	1000021014	Freddie Mac Discount		3/21/2013	4/25/2013	0.050	99.997	4,166,874.99	4,167,000.00	4,166,797.44
026C	1000020584	Freddie Mac Discount		1/24/2013	5/15/2013	0.070	99.992	4,502,639.76	4,503,000.00	4,502,028.12
529S	1000020207	Freddie Mac Discount		11/15/2012	5/21/2013	0.160	99.990	2,029,797.00	2,030,000.00	2,028,312.84
146P	1000020688	Freddie Mac Discount		2/1/2013	5/24/2013	0.080	99.989	9,509,953.79	9,511,000.00	9,508,632.82
008C	1000020700	Freddie Mac Discount		2/5/2013	5/29/2013	0.080	99.988	6,902,171.64	6,903,000.00	6,901,266.58
618P	1000021135	Freddie Mac Discount		3/25/2013	5/29/2013	0.080	99.988	4,852,417.64	4,853,000.00	4,852,299.01
504S	1000021150	Freddie Mac Discount		3/28/2013	6/4/2013	0.060	99.985	2,603,609.40	2,604,000.00	2,603,704.88
025C	1000020367	Freddie Mac Discount		12/13/2012	6/10/2013	0.135	99.984	10,766,277.12	10,768,000.00	10,760,771.98
529S	1000020951	Freddie Mac Discount		3/1/2013	6/18/2013	0.130	99.982	2,636,525.34	2,637,000.00	2,635,962.05
369B	1000020523	Freddie Mac Discount		1/7/2013	6/24/2013	0.110	99.981	10,061,088.03	10,063,000.00	10,057,834.33
322S	1000020917	Freddie Mac Discount		3/12/2013	7/16/2013	0.120	99.973	2,000,459.73	2,001,000.00	2,000,159.58
007C	1000020531	Freddie Mac Discount		1/10/2013	7/23/2013	0.110	99.971	2,523,268.04	2,524,000.00	2,522,503.82
025C	1000020751	Freddie Mac Discount		2/19/2013	7/23/2013	0.130	99.971	12,999,229.13	13,003,000.00	12,995,768.89
421B	1000020852	Freddie Mac Discount		3/1/2013	7/23/2013	0.140	99.970	16,980,074.35	16,985,000.00	16,975,488.40
026C	1000020921	Freddie Mac Discount		3/13/2013	7/26/2013	0.120	99.970	2,501,249.40	2,502,000.00	2,500,874.10
025C	1000020956	Freddie Mac Discount		3/15/2013	8/27/2013	0.100	99.958	4,996,900.42	4,999,000.00	4,996,708.79
799B	1000020958	Freddie Mac Discount		3/15/2013	8/27/2013	0.100	99.958	11,967,971.34	11,973,000.00	11,967,512.38
007C	1000020752	Freddie Mac Discount		2/19/2013	9/24/2013	0.150	99.945	1,952,925.30	1,954,000.00	1,952,233.26
010C	1000020209	Freddie Mac Discount		11/15/2012	10/4/2013	0.170	99.937	9,993,700.00	10,000,000.00	9,984,747.22
010C	1000020706	Freddie Mac Discount		2/6/2013	10/11/2013	0.120	99.935	14,990,250.00	15,000,000.00	14,987,650.05
010C	1000020336	Freddie Mac Discount		12/4/2012	11/13/2013	0.180	99.918	14,987,700.00	15,000,000.00	14,974,200.00
010C	1000020952	Freddie Mac Discount		3/15/2013	11/26/2013	0.120	99.913	14,986,950.00	15,000,000.00	14,987,200.05
010C	1000021136	Freddie Mac Discount		3/26/2013	12/13/2013	0.120	99.907	14,986,950.00	15,000,000.00	14,986,900.00
								257,111,711.30	257,195,000.00	257,037,676.30
625B	1000005016	Maryland State GO	5.000	4/13/2005	8/1/2015	3.692	111.257	483,967.95	435,000.00	488,239.65
								483,967.95	435,000.00	488,239.65

New York State Urban Development Corp. d/b/a ESD
Investment Position Report
As of 3/31/13

BAC	DEAL ID	Instrument Type	Rate	Settle	Maturity	Est YTM	Market Price		Par Amount	Cost (Incl Purch Int.)
							a/o 3/31/13	Market Value (\$'s)		
011B	1000020925	US Treasury Bill		3/14/2013	4/4/2013	0.065	99.999	13,523,864.76	13,524,000.00	13,523,487.22
033B	1000020926	US Treasury Bill		3/14/2013	4/4/2013	0.065	99.999	3,122,968.77	3,123,000.00	3,122,881.59
036B	1000020927	US Treasury Bill		3/14/2013	4/4/2013	0.065	99.999	22,264,777.35	22,265,000.00	22,264,155.79
041B	1000020928	US Treasury Bill		3/14/2013	4/4/2013	0.064	99.999	7,999.92	8,000.00	7,999.70
043B	1000020929	US Treasury Bill		3/14/2013	4/4/2013	0.065	99.999	6,448,935.51	6,449,000.00	6,448,755.48
044B	1000020930	US Treasury Bill		3/14/2013	4/4/2013	0.065	99.999	5,395,946.04	5,396,000.00	5,395,795.40
048B	1000020931	US Treasury Bill		3/14/2013	4/4/2013	0.065	99.999	5,720,942.79	5,721,000.00	5,720,783.08
049B	1000020932	US Treasury Bill		3/14/2013	4/4/2013	0.065	99.999	54,999.45	55,000.00	54,997.91
052B	1000020933	US Treasury Bill		3/14/2013	4/4/2013	0.065	99.999	2,852,971.47	2,853,000.00	2,852,891.82
056B	1000020934	US Treasury Bill		3/14/2013	4/4/2013	0.065	99.999	6,918,930.81	6,919,000.00	6,918,737.65
062B	1000020935	US Treasury Bill		3/14/2013	4/4/2013	0.065	99.999	4,773,952.26	4,774,000.00	4,773,818.99
107B	1000021151	US Treasury Bill		3/28/2013	4/4/2013	0.010	99.999	44,999,550.00	45,000,000.00	44,999,912.50
618B	1000020936	US Treasury Bill		3/14/2013	4/4/2013	0.065	99.999	10,303,896.96	10,304,000.00	10,303,609.31
634B	1000020937	US Treasury Bill		3/14/2013	4/4/2013	0.065	99.999	2,654,973.45	2,655,000.00	2,654,899.33
823B	1000020938	US Treasury Bill		3/14/2013	4/4/2013	0.065	99.999	7,725,922.74	7,726,000.00	7,725,707.06
847B	1000020939	US Treasury Bill		3/14/2013	4/4/2013	0.065	99.999	10,029,899.70	10,030,000.00	10,029,619.70
886B	1000020940	US Treasury Bill		3/14/2013	4/4/2013	0.065	99.999	2,569,974.30	2,570,000.00	2,569,902.55
898B	1000020941	US Treasury Bill		3/14/2013	4/4/2013	0.065	99.999	2,602,973.97	2,603,000.00	2,602,901.30
902B	1000020942	US Treasury Bill		3/14/2013	4/4/2013	0.065	99.999	4,719,952.80	4,720,000.00	4,719,821.03
929B	1000020943	US Treasury Bill		3/14/2013	4/4/2013	0.065	99.999	3,410,965.89	3,411,000.00	3,410,870.67
950B	1000020944	US Treasury Bill		3/14/2013	4/4/2013	0.065	99.999	8,206,917.93	8,207,000.00	8,206,688.82
951B	1000021131	US Treasury Bill		3/14/2013	4/4/2013	0.065	99.999	5,085,949.14	5,086,000.00	5,085,807.16
952B	1000020946	US Treasury Bill		3/14/2013	4/4/2013	0.065	99.999	6,685,933.14	6,686,000.00	6,685,746.49
958B	1000020947	US Treasury Bill		3/14/2013	4/4/2013	0.065	99.999	3,354,966.45	3,355,000.00	3,354,872.79
962B	1000020948	US Treasury Bill		3/14/2013	4/4/2013	0.065	99.999	4,891,951.08	4,892,000.00	4,891,814.51
969B	1000020949	US Treasury Bill		3/14/2013	4/4/2013	0.065	99.999	6,986,930.13	6,987,000.00	6,986,735.08
974B	1000020950	US Treasury Bill		3/14/2013	4/4/2013	0.065	99.999	3,541,964.58	3,542,000.00	3,541,865.70
975B	1000020951	US Treasury Bill		3/14/2013	4/4/2013	0.065	99.999	8,644,913.55	8,645,000.00	8,644,672.21
249S	1000020762	US Treasury Bill		2/21/2013	4/11/2013	0.090	99.999	914,990.85	915,000.00	914,887.91
044R	1000020100	US Treasury Bill		10/18/2012	4/18/2013	0.140	99.998	896,982.06	897,000.00	896,365.12
070B	1000021001	US Treasury Bill		3/19/2013	4/18/2013	0.068	99.998	205,006,899.78	205,011,000.00	204,999,468.13
071B	1000021002	US Treasury Bill		3/19/2013	4/18/2013	0.068	99.998	20,000,599.98	20,001,000.00	19,999,874.94
072B	1000021003	US Treasury Bill		3/19/2013	4/18/2013	0.068	99.998	21,462,570.74	21,463,000.00	21,461,792.71
073B	1000021004	US Treasury Bill		3/19/2013	4/18/2013	0.068	99.998	1,863,962.72	1,864,000.00	1,863,895.15
074B	1000021005	US Treasury Bill		3/19/2013	4/18/2013	0.068	99.998	11,999,760.00	12,000,000.00	11,999,325.00
075B	1000021006	US Treasury Bill		3/19/2013	4/18/2013	0.068	99.998	16,643,667.12	16,644,000.00	16,643,063.78
076B	1000020976	US Treasury Bill		3/19/2013	4/18/2013	0.068	99.998	7,075,858.48	7,076,000.00	7,075,601.98

New York State Urban Development Corp. d/b/a ESD
Investment Position Report
As of 3/31/13

BAC	DEAL ID	Instrument Type	Rate	Settle	Maturity	Est YTM	Market Price a/o 3/31/13	Market Value (\$)	Par Amount	Cost (Incl Purch Int.)
078B	1000020977	US Treasury Bill		3/19/2013	4/18/2013	0.068	99.998	5,332,893.34	5,333,000.00	5,332,700.02
079B	1000020978	US Treasury Bill		3/19/2013	4/18/2013	0.068	99.998	6,966,860.66	6,967,000.00	6,966,608.11
080B	1000020979	US Treasury Bill		3/19/2013	4/18/2013	0.067	99.998	550,988.98	551,000.00	550,969.01
081B	1000020980	US Treasury Bill		3/19/2013	4/18/2013	0.068	99.998	3,349,933.00	3,350,000.00	3,349,811.56
082B	1000020981	US Treasury Bill		3/19/2013	4/18/2013	0.068	99.998	2,499,950.00	2,500,000.00	2,499,859.38
083B	1000020982	US Treasury Bill		3/19/2013	4/18/2013	0.068	99.998	9,494,810.10	9,495,000.00	9,494,465.91
084B	1000020983	US Treasury Bill		3/19/2013	4/18/2013	0.068	99.998	7,441,851.16	7,442,000.00	7,441,581.39
085B	1000020984	US Treasury Bill		3/19/2013	4/18/2013	0.068	99.998	6,999,860.00	7,000,000.00	6,999,606.25
086B	1000020985	US Treasury Bill		3/19/2013	4/18/2013	0.068	99.998	2,674,946.50	2,675,000.00	2,674,849.53
087B	1000020986	US Treasury Bill		3/19/2013	4/18/2013	0.068	99.998	10,975,780.48	10,976,000.00	10,975,382.60
088B	1000020987	US Treasury Bill		3/19/2013	4/18/2013	0.067	99.998	1,003,979.92	1,004,000.00	1,003,943.53
089B	1000020988	US Treasury Bill		3/19/2013	4/18/2013	0.068	99.998	1,654,966.90	1,655,000.00	1,654,906.91
090B	1000020989	US Treasury Bill		3/19/2013	4/18/2013	0.068	99.998	35,010,299.78	35,011,000.00	35,009,030.63
091B	1000020990	US Treasury Bill		3/19/2013	4/18/2013	0.068	99.998	17,863,642.72	17,864,000.00	17,862,995.15
092B	1000020991	US Treasury Bill		3/19/2013	4/18/2013	0.068	99.998	9,052,818.94	9,053,000.00	9,052,490.77
093B	1000020992	US Treasury Bill		3/19/2013	4/18/2013	0.068	99.998	72,405,551.86	72,407,000.00	72,402,927.11
094B	1000020993	US Treasury Bill		3/19/2013	4/18/2013	0.068	99.998	8,215,835.68	8,216,000.00	8,215,537.85
095B	1000020994	US Treasury Bill		3/19/2013	4/18/2013	0.068	99.998	46,423,071.52	46,424,000.00	46,421,388.65
096B	1000020995	US Treasury Bill		3/19/2013	4/18/2013	0.068	99.998	5,371,892.56	5,372,000.00	5,371,697.83
097B	1000020996	US Treasury Bill		3/19/2013	4/18/2013	0.068	99.998	1,077,978.44	1,078,000.00	1,077,939.36
098B	1000020997	US Treasury Bill		3/19/2013	4/18/2013	0.067	99.998	753,984.92	754,000.00	753,957.59
099B	1000020998	US Treasury Bill		3/19/2013	4/18/2013	0.068	99.998	3,342,933.14	3,343,000.00	3,342,811.96
100B	1000020999	US Treasury Bill		3/19/2013	4/18/2013	0.068	99.998	1,812,963.74	1,813,000.00	1,812,898.02
101B	1000021000	US Treasury Bill		3/19/2013	4/18/2013	0.068	99.998	9,999,800.00	10,000,000.00	9,999,437.50
103B	1000020967	US Treasury Bill		3/19/2013	4/18/2013	0.068	99.998	615,987.68	616,000.00	615,965.35
104B	1000020968	US Treasury Bill		3/19/2013	4/18/2013	0.068	99.998	999,980.00	1,000,000.00	999,943.75
105B	1000020969	US Treasury Bill		3/19/2013	4/18/2013	0.068	99.998	13,166,736.66	13,167,000.00	13,166,259.36
106B	1000020970	US Treasury Bill		3/19/2013	4/18/2013	0.068	99.998	23,235,535.28	23,236,000.00	23,234,692.98
108B	1000020971	US Treasury Bill		3/19/2013	4/18/2013	0.068	99.998	6,549,869.00	6,550,000.00	6,549,631.56
109B	1000020972	US Treasury Bill		3/19/2013	4/18/2013	0.068	99.998	11,179,776.40	11,180,000.00	11,179,371.13
110B	1000020973	US Treasury Bill		3/19/2013	4/18/2013	0.068	99.998	1,529,969.40	1,530,000.00	1,529,913.94
111B	1000020974	US Treasury Bill		3/19/2013	4/18/2013	0.068	99.998	14,689,706.20	14,690,000.00	14,689,173.69
112B	1000020975	US Treasury Bill		3/19/2013	4/18/2013	0.068	99.998	2,823,943.52	2,824,000.00	2,823,841.15
003B	1000021019	US Treasury Bill		3/21/2013	4/25/2013	0.030	99.998	373,992.52	374,000.00	373,989.09
004B	1000021020	US Treasury Bill		3/21/2013	4/25/2013	0.030	99.998	872,982.54	873,000.00	872,974.54
008B	1000021021	US Treasury Bill		3/21/2013	4/25/2013	0.030	99.998	17,999.64	18,000.00	17,999.48
010B	1000021011	US Treasury Bill		3/21/2013	4/25/2013	0.043	99.998	47,169,056.60	47,170,000.00	47,168,028.03

New York State Urban Development Corp. d/b/a ESD
Investment Position Report
As of 3/31/13

BAC	DEAL ID	Instrument Type	Rate	Settle	Maturity	Est YTM	Market Price a/o 3/31/13	Market Value (\$'s)	Par Amount	Cost (Incl Purch Int.)
013B	1000021022	US Treasury Bill		3/21/2013	4/25/2013	0.030	99.998	7,999.84	8,000.00	7,999.77
013E	1000020705	US Treasury Bill		2/6/2013	4/25/2013	0.030	99.998	199,996.00	200,000.00	199,978.33
014B	1000021023	US Treasury Bill		3/21/2013	4/25/2013	0.030	99.998	1,551,968.96	1,552,000.00	1,551,954.73
014E	1000020704	US Treasury Bill		2/6/2013	4/25/2013	0.030	99.998	1,249,975.00	1,250,000.00	1,249,864.58
017B	1000021024	US Treasury Bill		3/21/2013	4/25/2013	0.031	99.998	2,999.94	3,000.00	2,999.91
024B	1000021025	US Treasury Bill		3/21/2013	4/25/2013	0.030	99.998	56,998.86	57,000.00	56,998.34
035B	1000021026	US Treasury Bill		3/21/2013	4/25/2013	0.030	99.998	1,712,965.74	1,713,000.00	1,712,950.04
037B	1000021027	US Treasury Bill		3/21/2013	4/25/2013	0.030	99.998	177,996.44	178,000.00	177,994.81
039B	1000021028	US Treasury Bill		3/21/2013	4/25/2013	0.030	99.998	226,995.46	227,000.00	226,993.38
043B	1000021029	US Treasury Bill		3/21/2013	4/25/2013	0.031	99.998	1,999.96	2,000.00	1,999.94
046B	1000021012	US Treasury Bill		3/21/2013	4/25/2013	0.043	99.998	50,330,993.36	50,332,000.00	50,329,895.84
051B	1000021030	US Treasury Bill		3/21/2013	4/25/2013	0.031	99.998	2,999.94	3,000.00	2,999.91
053B	1000021031	US Treasury Bill		3/21/2013	4/25/2013	0.030	99.998	2,023,959.52	2,024,000.00	2,023,940.97
057B	1000021032	US Treasury Bill		3/21/2013	4/25/2013	0.030	99.998	199,996.00	200,000.00	199,994.17
058B	1000021033	US Treasury Bill		3/21/2013	4/25/2013	0.030	99.998	599,988.00	600,000.00	599,982.50
059B	1000021034	US Treasury Bill		3/21/2013	4/25/2013	0.030	99.998	562,988.74	563,000.00	562,983.58
063B	1000021035	US Treasury Bill		3/21/2013	4/25/2013	0.030	99.998	28,999.42	29,000.00	28,999.15
064B	1000021036	US Treasury Bill		3/21/2013	4/25/2013	0.031	99.998	1,999.96	2,000.00	1,999.94
744B	1000021038	US Treasury Bill		3/21/2013	4/25/2013	0.030	99.998	22,999.54	23,000.00	22,999.33
747B	1000021039	US Treasury Bill		3/21/2013	4/25/2013	0.030	99.998	369,992.60	370,000.00	369,989.21
755B	1000021040	US Treasury Bill		3/21/2013	4/25/2013	0.030	99.998	137,997.24	138,000.00	137,995.98
768B	1000021037	US Treasury Bill		3/21/2013	4/25/2013	0.030	99.998	67,998.64	68,000.00	67,998.02
771B	1000021041	US Treasury Bill		3/21/2013	4/25/2013	0.030	99.998	100,997.98	101,000.00	100,997.05
772B	1000021042	US Treasury Bill		3/21/2013	4/25/2013	0.030	99.998	575,988.48	576,000.00	575,983.20
773B	1000021043	US Treasury Bill		3/21/2013	4/25/2013	0.030	99.998	358,992.82	359,000.00	358,989.53
777B	1000021044	US Treasury Bill		3/21/2013	4/25/2013	0.030	99.998	142,997.14	143,000.00	142,995.83
808B	1000021045	US Treasury Bill		3/21/2013	4/25/2013	0.030	99.998	148,997.02	149,000.00	148,995.65
814B	1000021046	US Treasury Bill		3/21/2013	4/25/2013	0.030	99.998	548,989.02	549,000.00	548,983.99
821B	1000021146	US Treasury Bill		3/21/2013	4/25/2013	0.010	99.998	502,989.94	503,000.00	502,995.11
862B	1000021047	US Treasury Bill		3/21/2013	4/25/2013	0.030	99.998	180,996.38	181,000.00	180,994.72
866B	1000021048	US Treasury Bill		3/21/2013	4/25/2013	0.030	99.998	133,997.32	134,000.00	133,996.09
868B	1000021049	US Treasury Bill		3/21/2013	4/25/2013	0.030	99.998	1,163,976.72	1,164,000.00	1,163,966.05
871B	1000021050	US Treasury Bill		3/21/2013	4/25/2013	0.030	99.998	157,996.84	158,000.00	157,995.39
880B	1000021051	US Treasury Bill		3/21/2013	4/25/2013	0.030	99.998	122,997.54	123,000.00	122,996.41
891B	1000021052	US Treasury Bill		3/21/2013	4/25/2013	0.030	99.998	167,996.64	168,000.00	167,995.10
896B	1000021053	US Treasury Bill		3/21/2013	4/25/2013	0.030	99.998	1,814,963.70	1,815,000.00	1,814,947.06
899B	1000021054	US Treasury Bill		3/21/2013	4/25/2013	0.030	99.998	840,983.18	841,000.00	840,975.47

New York State Urban Development Corp. d/b/a ESD
Investment Position Report
As of 3/31/13

BAC	DEAL ID	Instrument Type	Rate	Settle	Maturity	Est YTM	Market Price a/o 3/31/13	Market Value (\$'s)	Par Amount	Cost (Incl Purch Int.)
901B	1000021055	US Treasury Bill		3/21/2013	4/25/2013	0.030	99.998	235,995.28	236,000.00	235,993.12
902B	1000021056	US Treasury Bill		3/21/2013	4/25/2013	0.030	99.998	64,998.70	65,000.00	64,998.10
903B	1000021057	US Treasury Bill		3/21/2013	4/25/2013	0.030	99.998	431,991.36	432,000.00	431,987.40
904B	1000021058	US Treasury Bill		3/21/2013	4/25/2013	0.030	99.998	331,993.36	332,000.00	331,990.32
905B	1000021059	US Treasury Bill		3/21/2013	4/25/2013	0.030	99.998	220,995.58	221,000.00	220,993.55
907B	1000021060	US Treasury Bill		3/21/2013	4/25/2013	0.030	99.998	439,991.20	440,000.00	439,987.17
921B	1000021061	US Treasury Bill		3/21/2013	4/25/2013	0.030	99.998	22,999.54	23,000.00	22,999.33
932B	1000021062	US Treasury Bill		3/21/2013	4/25/2013	0.030	99.998	15,999.68	16,000.00	15,999.53
935B	1000021063	US Treasury Bill		3/21/2013	4/25/2013	0.030	99.998	1,752,964.94	1,753,000.00	1,752,948.87
949B	1000021064	US Treasury Bill		3/21/2013	4/25/2013	0.030	99.998	1,875,962.48	1,876,000.00	1,875,945.28
954B	1000021065	US Treasury Bill		3/21/2013	4/25/2013	0.031	99.998	4,999.90	5,000.00	4,999.85
957B	1000021066	US Treasury Bill		3/21/2013	4/25/2013	0.030	99.998	1,896,962.06	1,897,000.00	1,896,944.67
960B	1000021067	US Treasury Bill		3/21/2013	4/25/2013	0.030	99.998	21,999.56	22,000.00	21,999.36
962B	1000021068	US Treasury Bill		3/21/2013	4/25/2013	0.030	99.998	60,998.78	61,000.00	60,998.22
966B	1000021069	US Treasury Bill		3/21/2013	4/25/2013	0.030	99.998	8,999.82	9,000.00	8,999.74
972B	1000021070	US Treasury Bill		3/21/2013	4/25/2013	0.030	99.998	471,990.56	472,000.00	471,986.23
979B	1000021071	US Treasury Bill		3/21/2013	4/25/2013	0.030	99.998	9,999.80	10,000.00	9,999.71
982B	1000021072	US Treasury Bill		3/21/2013	4/25/2013	0.030	99.998	207,995.84	208,000.00	207,993.93
983B	1000021073	US Treasury Bill		3/21/2013	4/25/2013	0.030	99.998	76,998.46	77,000.00	76,997.75
312P	1000020923	US Treasury Bill		3/14/2013	5/9/2013	0.050	99.995	1,986,900.65	1,987,000.00	1,986,845.46
012C	1000020924	US Treasury Bill		3/14/2013	5/16/2013	0.060	99.993	850,940.43	851,000.00	850,910.65
421B	1000021140	US Treasury Bill		3/26/2013	5/16/2013	0.055	99.993	22,334,436.48	22,336,000.00	22,334,259.65
504S	1000020686	US Treasury Bill		2/1/2013	5/23/2013	0.073	99.992	2,126,829.84	2,127,000.00	2,126,521.25
910B	1000021152	US Treasury Bill		3/28/2013	5/30/2013	0.060	99.989	768,915.41	769,000.00	768,919.26
996B	1000021153	US Treasury Bill		3/28/2013	5/30/2013	0.060	99.989	53,994.06	54,000.00	53,994.33
020B	1000020390	US Treasury Bill		12/17/2012	6/27/2013	0.070	99.982	30,994.42	31,000.00	30,988.43
030B	1000020375	US Treasury Bill		12/13/2012	6/27/2013	0.060	99.982	34,993.70	35,000.00	34,988.57
378B	1000020371	US Treasury Bill		12/13/2012	6/27/2013	0.093	99.982	4,964,106.30	4,965,000.00	4,962,499.57
380B	1000020862	US Treasury Bill		3/5/2013	6/27/2013	0.090	99.982	126,977.14	127,000.00	126,963.81
381B	1000020370	US Treasury Bill		12/13/2012	6/27/2013	0.093	99.982	699,874.00	700,000.00	699,647.47
415B	1000020805	US Treasury Bill		2/28/2013	6/27/2013	0.115	99.982	910,836.02	911,000.00	910,653.69
423E	1000020430	US Treasury Bill		12/28/2012	6/27/2013	0.105	99.982	3,322,401.86	3,323,000.00	3,321,245.73
423E	1000020434	US Treasury Bill		1/2/2013	6/27/2013	0.070	99.982	47,991.36	48,000.00	47,983.57
423E	1000020693	US Treasury Bill		2/1/2013	6/27/2013	0.050	99.982	47,991.36	48,000.00	47,990.27
423E	1000020854	US Treasury Bill		3/1/2013	6/27/2013	0.060	99.982	46,991.54	47,000.00	46,990.76
609B	1000020376	US Treasury Bill		12/13/2012	6/27/2013	0.060	99.982	880,841.42	881,000.00	880,712.21
625B	1000020377	US Treasury Bill		12/13/2012	6/27/2013	0.060	99.982	92,983.26	93,000.00	92,969.62

New York State Urban Development Corp. d/b/a ESD
Investment Position Report
As of 3/31/13

BAC	DEAL_ID	Instrument Type	Rate	Settle	Maturity	Est YTM	Market Price a/o 3/31/13	Market Value (\$'s)	Par Amount	Cost (Incl Purch Int)
625B	1000020695	US Treasury Bill		2/1/2013	6/27/2013	0.060	99.982	10,998.02	11,000.00	10,997.32
744B	1000020378	US Treasury Bill		12/13/2012	6/27/2013	0.060	99.982	998,820.18	999,000.00	998,673.66
744B	1000020858	US Treasury Bill		2/4/2013	6/27/2013	0.040	99.982	22,995.86	23,000.00	22,996.35
744B	1000020861	US Treasury Bill		3/4/2013	6/27/2013	0.060	99.982	19,996.40	20,000.00	19,996.17
768B	1000020379	US Treasury Bill		12/13/2012	6/27/2013	0.060	99.982	564,898.30	565,000.00	564,815.43
794B	1000020374	US Treasury Bill		12/13/2012	6/27/2013	0.060	99.982	153,972.28	154,000.00	153,949.69
821B	1000020859	US Treasury Bill		2/15/2013	6/27/2013	0.060	99.982	24,995.50	25,000.00	24,994.50
821B	1000020960	US Treasury Bill		12/13/2012	6/27/2013	0.060	99.982	244,955.90	245,000.00	244,919.96
950B	1000020392	US Treasury Bill		12/17/2012	6/27/2013	0.070	99.982	24,995.50	25,000.00	24,990.67
969B	1000020391	US Treasury Bill		12/17/2012	6/27/2013	0.070	99.982	308,944.38	309,000.00	308,884.64
974B	1000020393	US Treasury Bill		12/17/2012	6/27/2013	0.070	99.982	34,993.70	35,000.00	34,986.93
226P	1000020568	US Treasury Bill		1/17/2013	7/18/2013	0.100	99.977	986,772.99	987,000.00	986,501.02
435B	1000020684	US Treasury Bill		1/31/2013	8/1/2013	0.100	99.973	6,059,363.53	6,061,000.00	6,057,935.83
								1,010,317,555.02	1,010,341,000.00	1,010,281,413.91

Grand Totals	1,743,861,920.11	1,743,649,448.37	1,742,872,051.32
---------------------	-------------------------	-------------------------	-------------------------